Austria	Sch30	Iran	Rls210	Pakistan	Rs35
Bahrain	Din0.900	Israel	Shk4.00	Philippines	Pso40
Belgium	BFr60	Italy	L2200	Poland	Zl 11,000
Cyprus	C£1.00	Jordan	JD1.20	Portugal	Es165
Denmark	DKr13	Korea	Won 2000	Qatar	QR10.00
Egypt	E£3.50	Kuwait	Fils.500	S.Arabia	SR9.00
Finland	FM8.50	Lebanon	L£1,000	Singapore	S$4.10
France	FFr7.50	Lux	LFr60	Spain	Pta175
Germany	DM3.00	Malaysia	M$4.25	Sweden	SKr13
Greece	Dr200	Morocco	MDh10	Switz	SFr2.70
Hungary	Ft120	Neth	Fl 3.50	Thailand	Bht50
Iceland	IKr150	Nigeria	Naira15	Tunisia	Din0.800
India	Rs20	Norway	NKr13.00	Turkey	L3000
Indonesia	Rp3100	Oman	OR1.20	UAE	Dh8.00

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

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Tuesday February 12 1991

D 8523A

SOVIET UNION

Glasnost alive on the airwaves

Page 5

World News

Mandela trial halted by kidnapping of key witness

The kidnap and assault trial of Mrs Winnie Mandela was halted in Johannesburg after the prosecution announced that one of the trial's key witnesses had been kidnapped. Page 20

Lithuania ready

The Lithuanian parliament launched the process of approving its new constitution as final figures confirmed a 90 per cent vote in favour of an "independent, democratic republic". Page 4

Bomb swindle

An insurance swindle, not Gulf war terrorism, was the motive behind bombs planted at a chemical facility about 10 miles from Norfolk Naval Base in Virginia, the Federal Bureau of Investigation said.

Arms cuts meeting

Negotiators from 22 countries met in Vienna to begin the second stage of an agreement to cut conventional forces in Europe. Page 4

Restaurant attacked

At least 15 people died and 18 others were wounded when Mozambique National Resistance rebels attacked a crowded restaurant 10 miles south-west of Maputo.

Border to be eased

The Soviet Union is reported to be planning to cut the number of restricted and prohibited border zones between Finland and Soviet Karelia by one-third.

Hong Kong accused

Hong Kong journalists accused the colony's government of colluding with Peking to curb press freedom before the territory is handed back to China in 1997.

Ershad delay

The trial of former Bangladeshi president Hossain Mohammad Ershad was postponed after the High Court asked the government to show why he should not be exempted from charges of possessing unlicensed weapons.

Punjab talks urged

Simranjit Singh Mann, leader of India's main Sikh political party, urged militants in the troubled Punjab to accept an offer of talks by prime minister Chandra Shekhar.

Help for Vietnam

The European Community, which began an assistance programme this month for Vietnamese boat people returning home, may resume large-scale aid to Vietnam if the project is a success.

Gauge gets blame

Technicians at a nuclear plant that shut down in Japan's worst nuclear accident on Saturday initially disregarded warning signs because they suspected a gauge measuring radioactivity was broken, officials said.

Mongolia famine fear

Fear of famine is stalking the frozen steppes of Mongolia, which is suffering its hardest winter in living memory.

New Pakistan daily

Pakistan's first national English-language daily, The News, was launched with simultaneous printing in three cities.

Bribery charges

Three South Korean members of parliament face arrest on bribery charges in connection with lavish overseas junkets, prosecutors said.

Backward British

The British have less confidence in their education system than any other nation in Europe, according to a study of European attitudes commissioned by Reader's Digest magazine. Danes, Swiss and Finns scored highest. Page 4

Business Summary

Carter Hawley Hale files for Chapter 11 protection

Carter Hawley Hale, biggest department store company in the western US, became the latest highly-leveraged US retailing group to file for protection from its creditors under Chapter 11 of the US federal bankruptcy code.

The company was yet another victim of liquidity problems stemming from falling consumer spending and the need to maintain interest payments on its debt. Page 22

BLUE ARROW: City of London financial advisers lied to protect their reputations and the value of shares in the UK *employment agency* when the company's record breaking £837m ($1,632m) rights issue flopped, a Serious Fraud Office prosecutor alleged in court. Details, Page 9

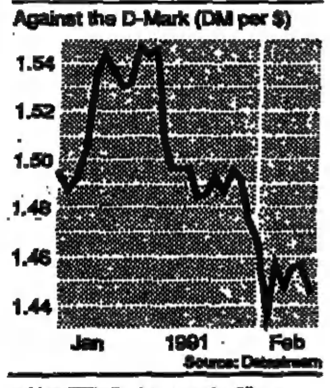
BORIS Fedorov, former minister of finance of the Russian Federation, is to join the European Bank for Reconstruction and Development as a head of department. Page 20

FOSTER'S Brewing Group, formerly Elders IXL, posted a 31 per cent fall in interim net profits from A$154m ($120m) to A$107m and cut its dividend *from 8.5 cents to 2.5 cents*. Page 21

DOLLAR: *Comments* by deputy Bundesbank president Helmut Schlesinger indicating that Germany is not keen to continue support for the dollar helped push the currency down to a record closing low of DM1.4450 from DM1.4565 in London. Currencies, Page 42

Dollar

Against the D-Mark (DM per $)



MARKETS: At 1pm in New York, the Dow Jones Industrial Average was up 40.84 at 2,871.53 on turnover of 154m shares as institutional investors committed sizeable funds to the market amid hopes of another cut in interest rates. Frankfurt: DAX closed 20.92 or 1.4 per cent ahead at 1,488.74. Paris: interest rate optimism pushed the CAC 40 index up 14.54 to a year's high of 1,637.29. Tokyo was closed for a national holiday. World Stock Market reports, Back Page, Section II

THOMSON Consumer Electronics (TCE), French state-owned television manufacturer, has *launched its long-awaited high* definition television set (HDTV). Page 20

MITSUBISHI Motors, Japanese automotive group, is pursuing negotiations with the Dutch Government with the aim of acquiring an equity stake in Volvo Car BV, Dutch car maker 70 per cent owned by Dutch state interests and 30 per cent by Volvo, Swedish car and truck producer. Page 22

OTIS Elevator, world's biggest lift maker, is to enter a joint venture with two Soviet partners in Leningrad. Page 3

REYNOLDS Metals, second-biggest US aluminium group, launched an American-made range of food packaging products in Germany. Page 3

LAC Minerals, Canadian gold producer, plans to acquire the 35.3pc stake in Colorado-based Bond International Gold it does not already own. Page 24

AUSTRALIAN Consolidated Industries (ACIL), formerly Bell Resources, reported a net interim loss of A$91m ($79m) for the half-year to end December. Page 25

London-Bonn accord is blow to French plan for European bank

Kohl backs Major over Emu

By **David Marsh** in Bonn

GERMANY is willing to respect Britain's desire to "go slow" on fulfilling Stage 2, planned for 1994, of deepening European monetary integration, it emerged *yesterday after* talks in Bonn between Chancellor Helmut Kohl of Germany and Mr John Major, the UK prime minister.

Britain's opposition to rapid action towards economic and monetary union (Emu) stated repeatedly by Mr Major in recent months, adds powerfully to scepticism over Emu *already displayed* by the Bonn Finance Ministry and by the Bundesbank, the German central bank.

The first stage of Emu has produced the current system of semi-fixed exchange rates, while Stage 2 would move towards changing the present European Monetary System into a scheme of permanently fixed currencies administered by a single European central bank.

The current London-Bonn accord deals a potentially mortal blow to the French-inspired plan of making significant *moves towards a European* central bank and common currency in three years' time.

After a morning of talks with Mr Kohl, Mr Major indicated tacit accord with Bonn on avoiding haste in moving towards Emu. The prime min*ister said he was "optimistic"* about reaching a conclusion over European integration which would be "satisfactory to the UK and its European partners."

The Anglo-German meeting also signalled a new entente over the Gulf war as Mr Major stressed that there were "no differences" with Bonn over the aims of the military action against Iraq.

On Mr Major's first visit to Bonn since taking office in November, both leaders were keen to emphasise the smoothness of their discussions – in contrast to the turbulence frequently evident in the contacts between Mr Kohl and Mrs Mar*garet Thatcher, Mr Major's* predecessor.

A senior German official last night confirmed Mr Kohl's high opinion of Mr Major as a trusted partner both for the duration of the Gulf war and for future negotiations over *European political* and monetary union. "He (Mr Kohl) believes he has found a good personal relationship," he said.

Mindful of recent criticism of Germany in the British and US media over its initial lack of commitment to the allied *armies facing Iraq*, Mr Kohl

Continued on Page 20
Observer, Page 19

British prime minister John Major and German chancellor Helmut Kohl turn to the translator during their talks yesterday

US likely to pause before land battle

By **Lionel Barber** in Washington and **David White** in London

OPTIONS for a land war to liberate Kuwait and estimates of likely US casualties were presented yesterday to President George Bush, amid signs that the US high command was leaning toward a short delay before launching a full-scale ground campaign.

Mr Dick Cheney, US defence secretary, and General Colin Powell, chairman of the Joint Chiefs of Staff, fresh from a four-day visit to Saudi Arabia, gave the president a first-hand assessment of the allied bombing campaign against Iraq and delivered recommendations on the timing and scope of a ground assault against the dug-in Iraqi forces.

They gave their briefing as *US and allied air forces* intensified their bombing campaign, now directed mainly at tactical targets in the Kuwait region.

Another Scud missile was fired against Israel from western Iraq during the evening rush-hour yesterday – the 32nd since the conflict began – but landed in a deserted area causing no casualties. Air raid sirens also sounded in Riyadh last night.

US pilots, meanwhile, reported that they had destroyed at least four mobile Scud launchers.

US officials cautioned against the idea that Mr Bush would make an immediate decision on a ground offensive.

One option, reported to be *favoured* by the Pentagon, is for a gradual shift towards a ground action involving selective probes aimed at flushing out Iraqi tanks and infantry for targeting by allied warplanes. This would help to dampen congressional concern about the scale of US casualties and allow the allies to test enemy morale and fighting strength.

The allies now have detailed estimates of the state of Iraqi forces' stocks in the Kuwait region and of their possibilities for resupply.

US military officials *remained concerned that* despite more than three weeks of heavy aerial pounding, the mass of Iraqi artillery, tanks and infantry was still entrenched in southern Iraq and Kuwait.

For Mr Bush, the decision on when to commit his ground forces is the most delicate of the war. Already, both Republican and Democrat congressional leaders have voiced nervousness about a ground war and the threat of Iraqi chemical weapons.

Mr Dan Burton, the Indiana Republican, yesterday became the first US congressman to call publicly for tactical nuclear weapons to bring the war to an early decisive conclusion.

On the diplomatic front, the White House took a relaxed view of President Mikhail Gorbachev's decision to send a special envoy to Baghdad. Mr *Yevgeny Primakov's planned* talks with President Saddam Hussein are seen in Washington as having little chance of securing a peaceful resolution of the war.

Mr Tom King, British defence secretary, and Marshal of the RAF Sir David Craig, chief of the defence staff, are due to hold talks with Mr Cheney today.

Mr Pierre Joxe, the new French defence minister, *is* also due in Washington, a sign that France is being more accomodating towards the US since Mr Jean-Pierre Chevène*ment resigned late last month.* Mr Moshe Arens, Israel's defence minister, was also briefed yesterday by Mr Cheney.

Other Gulf news, Page 2

USAir, BA announce job cuts as industry recession deepens

By **Nikki Tait** in New York and **Paul Betts** in London

USAIR yesterday became the *latest of leading US carriers to* announce significant staff cuts because of the financial problems which are affecting the airline industry.

In London British Airways confirmed expected job cuts and also announced substan*tial fare reductions on the New* York to London route.

The BA move to cut prices was quickly followed by a series of announcements from *competing* airlines, including Lufthansa, Pan Am and TWA, that they would also cut transatlantic fares. KLM Royal Dutch Airlines said it was also planning discounts.

USAir said that it was making 3,585 employees redundant, *at least temporarily*, out of a total workforce of about 50,000, while the UK carrier is to cut 13 per cent of its 50,000 workforce.

The lay-offs by USAir will take place over the next couple of months. The aggregate figure covers *660 pilots jobs, 540* flight attendants, over 500 maintenance and utility staff, 305 reservation agents and 1,300 customer service agents.

The airline, the seventh largest domestic carrier in the US, also said that the number of daily flight departures would be reduced from 2,894 to 2,626 by May 2. It announced last month that it was pulling out of six airports in California, *effectively cutting its service* there by one-third.

It also said that it was eliminating flights from two north-west airports, in Washington and Oregon, and curtailing flights from Cleveland and Baltimore-Washington Interna*tional* Airport. These reductions are included in the May 2 total.

However, USAir added that it intended to increase services from Pittsburgh, Charlotte and Philadelphia. About 10 to 20 flights a day will be added in each case.

USAir's action follows hefty cutbacks at other ailing US airlines, such as Trans World Airlines, Pan Am and even the *relatively strong* American Airlines. USAir announced a $221.1m loss in the fourth quarter of 1990, blamed largely on fuel price rises and fare discounting, bringing its full-year deficit to $454m after tax.

In London British Airways last night announced that it planned to cut 6,600 jobs because of the deepening recession and the severe impact of the Gulf war on worldwide air travel.

The company also announced fare cuts on its New York to London routes.

The UK carrier is offering 33 per cent fare reductions on its regular return 30-day advance fare from New York to London to attract *US* passengers who have deserted the London route. The cuts do not apply for tickets bought in the UK.

Under the new programme of reduced fares, the New York to London Apex return fare will drop to $481 midweek and $521 at weekends from April 6 to May 31 and during October. From June 1 to September 30 the fares would be $588 midweek and $628 at weekends.

The BA move is expected to put pressure on Pan American

Continued on Page 20
Pressure at Heathrow, Page 8

EC's farm budget rises by record Ecu7.9bn

By **David Gardner** in Brussels

THE EC's agriculture budget is running out of control with a record increase of Ecu7.9bn ($10.9bn) now forecast for spending on farm price supports this year, according to a confidential Commission mem*orandum*.

The new figure exceeds the budget approved only last December by Ecu1.9bn bringing the total farm support budget to Ecu33bn. Farm spending accounts for 60 per cent of the EC budget.

It means that the EC is set to breach for the first time the finance limit or "guideline" on agriculture established in February 1988, which was intended to end the recurrent Community budget crises of the mid-1980s.

The memorandum forecasts total spending of Ecu33bn, breaking the "guideline" by Ecu880m. On present trends, expenditure would rise still further in 1992, by another Ecu4bn, exceeding that year's outside limit by Ecu2bn.

The projections should reinforce the hand of those in the European Commission pressing a plan for radical reform of the Common Agricultural Pol*icy (CAP), which is being* resisted by some member states, including the UK.

The memo, drafted by the Commission's agriculture directorate and sent to Mr Ray MacSharry, EC agriculture commissioner, says "the agricultural budget situation is deteriorating rapidly", and concludes that "two different options can be envisaged realistically".

The first is "in depth reform of the CAP". This would entail rolling over last year's farm price regime – which is due to be modified next month – and phasing in the detailed reform proposals Mr MacSharry outlined to EC farm ministers last week, leading "to the first important savings in 1992".

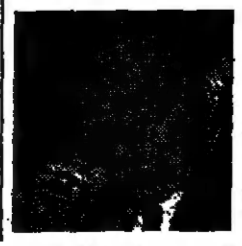
The Commission has endorsed the MacSharry reform plan, which calls for severe cuts in support for farm produce ranging from cereals to beef. It proposes full compensation for small farmers and partial refunding of the price cuts to larger farmers, but only if they take land out of production.

The second option outlined would be a continuation of the *status quo* but with a strengthened arsenal of restrictions on oversupply. There would ne no funds available to compensate farmers for price cuts.

Alarm over crisis, Page 27

CONTENTS

France fights temptation of more state aid for industry



Over the past decade, successive French administrations have attempted to draw the state back from its role of active support for industry. But economic pressures may force a rethink on Michel Rocard

Page 5

MARKETS

STERLING
New York lunchtime:
$1.997
London:
$1.9975 (1.9875)
DM2.8875 (2.895)
FFr9.8425 (9.8575)
SFr2.4675 (2.4725)
Y255.00 (254.0)
£ index 94.2 (94.2)

GOLD
New York: Comex Apr
$369.0 (372.4)
London:
$367.75 (370.25)

N SEA OIL (Argus)
Brent Apr
$19.5 (19.975)

Chief price changes yesterday: Page 21

DOLLAR
New York lunchtime:
DM1.4465
FFr4.932
SFr1.23675
Y127.67
London:
DM1.445 (1.4565)
FFr4.9275 (4.96)
SFr1.235 (1.244)
Y127.7 (127.8)
$ index 59.3 (59.5)
Tokyo: Closed

US LUNCHTIME RATES
Fed Funds $6\frac{5}{16}$%
3-mo Treasury Bills: yield: 6.079%
Long Bond: $99\frac{3}{16}$
yield: 7.952%

STOCK INDICES
FT-SE 100:
2,279.0 (+33.8)
FT Ordinary:
1,793.7 (+33.5)
FT-A All-Share:
1,089.53 (+1.6%)
New York lunchtime:
DJ Ind. Av.
2,862.87 (+32.18)
S&P Comp
364.36 (+5.01)
Tokyo: Closed

LONDON MONEY
3-month interbank:
closing $13\frac{1}{2}$% ($13\frac{3}{8}$%)
Liffe long gilt future:
Mar $92\frac{3}{16}$ ($92\frac{13}{32}$)

THE GULF WAR

Pilots report hits on mobile Scud launchers

Allied aircraft step up assault on Iraqi forces

By Victor Mallet in Riyadh and Tony Walker in Dhahran

THE GULF CRISIS

THE US-led multinational alliance yesterday intensified its aerial bombardment of Iraqi forces in Kuwait and the Basra area of southern Iraq, launching more than 2,900 air sorties in preparation for a possible land battle.

Brig-Gen Richard Neal, of the US central command in Riyadh, said: "There is no division, no brigade, no battalion that is spared attacks from our pilots. I think it's fair to assume that we are in fact intensifying the air campaign, *particularly against the Republican* Guard in what we call our battlefield preparation phase."

He described Basra as "a military town" in the sense that the military infrastructure was interwoven with the city itself, although he repeated that the allies were trying to avoid civilian casualties.

In attacking chemical plants, the multinational forces used the kind of munitions which would limit contamination, he said. Brig-Gen Neal did not elaborate, but it is assumed he meant the allies are using bombs or missiles which burn up chemical agents.

Allied military commanders admit they cannot completely stop Iraqi efforts to resupply forces occupying Kuwait, but *they have severely restricted* the flow of traffic and are now attacking pontoon bridges used to repair or replace bridges already damaged.

US pilots reported hitting at least four and possibly five mobile Scud launchers, further reducing Iraq's long-range missile capabilities against Israel and Saudi Arabia. British aircraft attacked Silkworm shore-to-ship missile sites.

The skies over Kuwait and southern Iraq are so crowded with allied warplanes that US commanders are concerned about the possibility of mid-air collisions. "It's congested up there," said *Col Garry Vollger*, an airborne warning and control officer at an airbase in central Saudi Arabia.

Group Captain Niall Irving, the British spokesman, said a Lynx helicopter had hit and apparently sunk an Iraqi patrol boat with Sea Skua missiles.

He also acknowledged – when asked why so many Iraqi vessels had appeared after the Iraqi fleet was supposed to have been all but eliminated – that some earlier attacks were not as successful as had been thought.

Col Ahmed al-Rubayan, the Saudi spokesman for the Arab *forces, announced* that 300 Afghan mujahedin with small arms were joining the alliance.

The move, which has apparently caused dissent among the various mujahedin factions, is *more political than military*, but Col al-Rubayan said: "They have the experience fighting against Russian tactics *and I* think they will be beneficial."

He also said all prisoners-of-war – there are already more than 1,000 – would be given gas masks to protect against chemical attack from their own forces. Iraqi deserters continue to cross the front line; nine surrendered yesterday.

Genscher heads for Mideast under cloud

By David Goodhart in Bonn

MR HANS-DIETRICH *Genscher, the German* foreign minister, today starts a Middle East tour to Egypt, Syria and Jordan, in the wake of unprecedented public criticism within Germany of his presentation of the country's Gulf policy.

Mr Genscher yesterday *risked further alienation* by implying, in a radio interview, that the Palestine Liberation Organisation was still a potential negotiating partner. His *party colleague*, Mr Otto Lambsdorff, contradicted him, after a visit to the US, saying that Bonn must change its position on recognising the PLO. Mr Lambsdorff, along with other leading German politicians recently in the US, has warned of the damage *done to* US-German relations by Germany's hesitant show of solidarity over the Gulf and has also warned that Germany will *be expected* to pay more towards the war.

Mr Genscher will, however, have won some approval in Washington and London for saying that Germany must take on more responsibility in the world, especially through *the UN, and repeating* that the country's constitution must be changed to allow a German military role in UN actions.

This could happen soon after the Gulf war has ended, as enough Social Democrats might vote with the government to provide the *two-thirds* majority needed for a constitution change. The SPD, however, is likely *to* ask for strict export controls on weapons to be *spelt out* in the constitution.

The party accepted the government's recent decision to send defensive weapon systems to Israel, despite the fact that it breaks the policy of not sending weapons to areas of tension, but is now worried that a *similar exception* is being made for Egypt.

● The official prosecutor's office in Cologne said yesterday it was investigating allegations that the company Strabag Bau AG had been involved in the delivery of diamond drills to Iraq in defiance of the UN embargo. The authorities in Cologne were alerted by the official prosecutor in Koblenz who has been investigating the manufacture of the *drills by* the Wiedtal company in Neustadt.

Hurd backs European role in security talks

MR Douglas Hurd, Britain's foreign secretary, called yesterday for an early meeting between foreign ministers of the European Community and the Gulf states to explore possible Middle East security arrangements once the Gulf war ends, **writes John Wyles in Rome**.

After talks with Mr Gianni De Michelis, his Italian counterpart, Mr Hurd strongly supported Europe taking a role in defining a new peace and security order *in the Gulf region* and in promoting an end to the Arab-Israel conflict.

But he remained cool on the idea of the EC establishing new mechanisms for forging common foreign and defence policies.

On route to London after talks with leaders of Egypt and Saudi Arabia, the foreign secretary stressed the need to co-ordinate peace planning, not only with countries in the region but with the US and Canada.

Mr Hurd appeared responsive to suggestions that after *the war Israel should* be encouraged to seek separate agreements with Middle East members of the anti-Iraq coalition. *He said it was clear to* him that no such agreements could be made with Jordan, Syria and Saudi Arabia without resolution of the Palestinian question.

For the moment, he said, Britain had no preference between a peace conference on the Palestinian question – which would require careful preparation – and Italian-Spanish proposals for a Helsinki-type conference for the Mediterranean region which would begin by attempting to establish principles for co-operation.

Pressed on the future of President Saddam Hussein, Mr Hurd agreed with Mr De Mich*elis that the leader was making* his own removal a condition for an Iraqi withdrawal from Kuwait.

But he went further by clearly implying that Britain would prefer to have him out of the way in any case. "It is increasingly difficult to imagine a position in which the present government of Iraq can play the kind of part in a post-war settlement which is clearly going to be needed."

Israel urged to forge peace pacts

By Hugh Carnegy in Jerusalem

MR David Levy, the Israeli foreign minister, said yesterday Israel should exploit advantages gained from the *Gulf war* and take the lead in seeking post-war peace pacts with its Arab neighbours.

Speaking to the Knesset foreign affairs and defence committee, Mr Levy did not advocate big changes in policy. But he reasserted the more positive stance he *has adopted* in recent days, compared with many colleagues in Mr Yitzhak Shamir's hardline coalition.

Mr Levy is due to meet Mr James Baker, US secretary of state, in Washington this week. By showing some willingness *to be flexible he is anxious* to pre-empt any pressure Washington and its allies might put on Israel after the war.

"We must not remain on the sidelines watching ideas take shape at the initiative of others. Today there are many possibilities working in our favour," Mr Levy was quoted as saying yesterday.

He took a similar line at a cabinet meeting on Sunday when he was reported to have *been sharply critical of* Mr Yuval Ne'eman, the right-wing science minister. "There are people here who panic when they hear Israel must prepare itself for diplomatic talks," the foreign minister said.

Mr Levy is firmly behind Mr Shamir's flat refusal to participate in an international peace conference on the Middle East *or to allow any negotiating* role for the Palestine Liberation Organisation. But he believes pressure to accept these is fading as a result of Israel's policy of restraint in the war and the PLO's support for Iraq.

Instead, Mr Levy said yesterday Israel should be open to discussion on issues such as regional disarmament and other security arrangements. He also said a regional – as distinct from an international – conference might be a way to achieve progress.

The Foreign Ministry said this idea could be acceptable to Israel if it encompassed direct negotiations between Israel and Arab countries.

Both Mr Levy and *Mr Shamir* have stressed that any progress towards a settlement with the Palestinians in the occupied territories must run parallel with steps towards normalisation of relations with individual Arab nations.

Mr Levy is no "dove" on issues such as the occupied territories. But he is a pragmatist *and his ambition to succeed* Mr Shamir would be well served by a foreign policy breakthrough during his tenure at the Foreign Ministry.

A British Army lieutenant gives his men, in the Life Guards, their weekly foot inspection in the Saudi desert

Iran may keep jets which fled the war

By Paul Abrahams and Victor Mallet in Riyadh

IRAN may not hand back the *most valuable fighter aircraft* of the Iraqi air force, worth at least \$2bn, that have fled over the Iranian border, according to diplomatic sources in the Middle East.

The Iranians may decide to keep the aircraft after the conflict as reparations for the eight-year Iran-Iraq war which was started by President Saddam Hussein when he invaded Iran in 1980. Iranian President Hashemi Rafsanjani recently *put the economic losses sus*tained by his country during the Iran-Iraq war at \$800bn.

The decision would be a serious blow for the Iraqis who, the allies now believe, deliberately flew some 147 aircraft – including 121 combat jets – to Iran in an effort to preserve at least some of their air force. Allied commanders no longer *believe the flight of the aircraft* was a spate of defections.

Iraq used inexperienced pilots to fly half of its best fighter-bombers into Iran, and has kept its most proficient pilots and the rest of its top-flight aircraft inside Iraq, according to allied military officials yesterday.

A number of Iraqi aircraft crashed while flying to Iran or on landing there, and there have been several instances where Iran-bound pilots failed to take basic evasive action, even when attacked by allied aircraft.

The exact value of Iraqi jets in Iranian hands is difficult to estimate. At the best of times, the pricing of military aircraft *is tricky because they tend to* be sold in packages which *include training, documenta*tion and spares, warns Mr Mark Lambert, editor of Jane's *All the World's Aircraft*.

However, even at pre-war rates, Iraq's 15 Mig-29s in Iran are worth about \$450m and the 20-odd Su-24 strike jets are worth about \$640m, according to Mr Lambert. The Adnam Il-76, which carries an early warning radar system, may have cost about \$50m.

The remaining military aircraft *in Iran are probably* Soviet manufactured Su-25s and Mig-23s, together with French Mirage F-1s. Neither of the latter are still in production. Replacements or upgrades would cost more than \$1bn. The cost of replacing the assorted civil and military transport aircraft is impossible to evaluate.

The Iraqi jets in Iran are no longer seen as a significant threat to the alliance because they have been widely dispersed throughout the country, which would make command and control difficult, and because they need specialised maintenance facilities.

The officials said there was no sign of any maintenance work on Iraqi jets in Iran. Some had been moved into shelters, but by and large they are sitting beside runways on Iranian bases.

The threat to the alliance's eastern flank from the Iran-based aircraft is regarded as *minimal, but the allies have* not ruled out what they call a *kamikaze*-style massed aircraft *strike from Iran or Iraq itself.*

UK plans Saudi trade mission

By Andrew Taylor

BRITAIN is to establish a permanent trade mission in Saudi Arabia to assist UK com*panies when the reconstruc*tion of Kuwait gets under way, Lord Prior, chairman of GEC, said yesterday.

He said some Kuwaiti officials had suggested that the cost of rebuilding the country could be as high as \$100bn (£51.2bn)

Lord Prior said companies planned to establish a trade *mission in Dammam close to* the port of Dhahran. The office – to be financed by the private sector – will come under Mr Christopher Wilton, Britain's commercial councillor in Saudi Arabia. It will be manned by five or six businessmen and industrialists representing different sectors of British industry and commerce.

Lord Prior, a former cabinet minister, said UK companies were also considering the charter of a ship which would be moored off Kuwait and contain engineers, water, sanitation and health experts to assist with emergency restoration of basic services.

The proposals were *announced at a briefing* given by the Department of Trade and Industry. This followed a visit at the weekend by Lord Prior and other British industrialists to the exiled Kuwaiti government in Saudi Arabia.

There has been criticism by British companies that the department has been slow to press Britain's case and that *as a result US construction* and engineering companies were likely to win the lion's share of contracts.

The US Corps of Engineers, part of the army, which has strong links with the US private sector, has already been awarded a 90-day contract to manage the initial restoration of essential services.

Lord Prior did not agree US companies had stolen a march. He said British companies *would work with and not* against US companies. There was still a vast amount of *work to be awarded.*

For example, contracts for 500 and 2,000 telecommunications lines had been placed so far with Motorola of US and Ericsson of Sweden respectively. This compared with 90,000 lines in Kuwait City which were likely to need replacing, said Lord Prior.

He said the British Crown Agents could provide a useful staging post for orders placed to smaller British companies.

NEWS IN BRIEF

Rejection of horror weapons urged

THE Soviet Union is calling on both sides in the Gulf conflict formally to renounce the use of any chemical, biological or nuclear weapons, in an effort to prevent any further escalation or *spread of the war, writes* ***Quentin Peel in Moscow***.

The move was announced yesterday by Mr Alexander Dzasokhov, a senior foreign policy adviser to President Mikhail Gorbachev, as the Soviet leader's personal envoy, *Mr Yevgeny Primakov*, left for Baghdad on a new attempt to promote a peace settlement.

Soviet officials cautioned against any expectation of significant new proposals from the Primakov visit, saying that he would still insist on Iraq abiding by all the UN resolutions, including withdrawal of its forces from Kuwait.

Iraq and Kuwait due at meeting

Officials from 15 non-aligned countries yesterday met in Belgrade to work on a political solution to the Gulf crisis as representatives from Kuwait and Iraq were expected to join the two-day closed session, Tanjug, the Yugoslav news agency said, writes *Laura Silber from Belgrade. Mr Dirni Rzuki, a high-ranking* Kuwaiti Foreign Ministry official, yesterday arrived and Iraqi officials were expected later in Belgrade, reported Tanjug.

Saddam's radio goes faint

Frequency signals from Radio Baghdad – a key weapon in President Saddam Hussein's propaganda war – are becoming increasingly faint apparently as a result of damage to Iraq's infrastructure brought about by allied bombing, reports **Jimmy Burns** in London.

Belgium asks to help more

Britain has asked Belgium for further military help to meet the growing costs of the Gulf war, with a series of detailed requests for military equipment, writes **Lucy Kellaway** in Brussels.

France send the marines

French forces in the Gulf are to be reinforced with an 800-strong regiment of marines, writes **Ian Davidson** in Paris. The 2nd Regiment of Marine Infantry which leaves today will be assigned mainly to the defence of the support echelons. The French expeditionary corps will then number around 14,000 men, of which 10,500 are in the army division code-named Daguet, 1,500 in the air force, and 2,000 in the logistics and medical corps.

Caught between a rock and a hard place

John Murray Brown counts the cost of the Gulf crisis from Turkey's Kurdish region

THE DAY war broke out, Ayşe Şevda and four of her nine children became the first Turkish casualties of the Gulf crisis, when they suffocated to death in their one room house in Kurta*lan, south-east Turkey.*

This pathetic story underlines the panic now running through this Kurdish-speaking region, as people brace themselves for a possible Iraqi chemical attack, blocking out windows with sheets of polythene, fleeing to the mountains, or making a mad rush for the remaining stocks of *atropin sulphate*, a well-known antidote to mustard gas.

For the Middle East's 20m *Kurds*, the horrors of chemical warfare are all too familiar. In 1988, some 100,000 Iraqi Kurds fled into Turkey after President Saddam Hussein's most recent use of chemical bombs.

But Turkey's 8m Kurds feel caught between a rock and a hard place, dreading a gas attack and yet fearful the government will use the occasion to step up attacks against insurgents of the separatist Kurdish Workers party, PKK, a campaign which has claimed more than 2,000 lives since 1984.

Unlike their Iraqi cousins, Turkey's Kurds see little political gain from the current crisis. Moreover, they feel uncomfortably exposed in the front line. In Siirt, a centre of PKK activity, Dr Ekrem Bilek, the *social democrat mayor says his* office has just 600 gas masks for a population of 56,000 – a complaint repeated throughout the south-east.

"Even the Palestinians in Israel are given masks," shouted one irate delegate at a local meeting of the People's Labour party – the nearest thing to a party articulating *Kurdish concerns* in the current political climate.

Last week, the region witnessed *some of the country's* most violent anti-war protests. One person was killed, when special forces opened fire in Tatvan. Such is the strength of opposition to the war that local deputies of the ruling Motherland Party refused to vote with the government on the recent war powers resolution, thereby giving the go-ahead for the US to mount raids from Turkey and for Turkish troops to be sent into Iraq.

Friday's cabinet decision, lifting a seven-year ban on the use of Kurdish language, while welcome, was little more than a sop to moderate Kurdish opinion in a bid to head off serious unrest in the region.

President Turgut Ozal has warned that Turkey will not countenance an independent *Kurdish state in north Iraq*, one reason for the massive troop presence in the border area. *But he must be equally* concerned to prevent a repeat of the widespread civil unrest which gripped the region last March, resulting in a severe security clamp down.

Lifting a seven-year ban on the use of the Kurdish language was little more than a sop to moderate Kurdish opinion to head off unrest in the region

Riots in Cizre and Nusaybin were *followed* by the introduction of new legislation giving the emergency governor powers to close down printing presses, send undesirables into exile, while providing the governor's own officials with immunity from prosecution.

The Kurdish problem has a long bitter history – a legacy of the 1923 Lausanne Treaty when Turkey established the minority status of its Armenian, Greek and Jewish communities, while omitting to mention the Kurds who offi*cially remain as* "mountain Turks".

A Kurdish identity was *reinforced in isolated* rural communities, where traditional allegiances were to the local landed sheikh who expected little from central government. "You have first to tackle the problem of land ownership," insists Mr Ahmet Ozer, a sociologist working for the mayor of Diyarbakir, the main Kurdish town.

The government is pinning its hopes on the massive \$6bn GAP irrigation project, which envisages turning the Euphrates valley into one of the world's largest cotton plantations. Few seem to have considered the project's ecological impact.

The Kurds themselves are more blunt. "We don't ask any*thing from the state. We just* want Turks to leave our land," was one typical comment.

For the past 12 years, martial law has been in force in eight of the region's 19 provinces, affecting almost 5m people.

A strongly worded report on the region by the opposition Social Democrats, criticises the government's security policies which it says "sometimes take on the *dimensions of state ter*ror."

The report says since 1988, the government has forcibly moved people from highland areas, in an apparent effort to undermine the rural support for the PKK.

Human rights lawyers say villages are now being burnt down, a claim difficult to sub*stantiate in view of the* travel restrictions. Mr Aydar's own efforts to publicise these charges resulted in him being exiled from the region under the new laws.

The *Gulf* war, if nothing else, will bring the Kurdish question to the fore again. But few Kurds hold out much hope for real change.

Last week, military officials did little to allay these fears when they confirmed to an *incredulous audience of* journalists, that fighter aircraft on a training flight had "acciden*tally*" dropped bombs on the Cudi mountain, a well known rebel stronghold.

Jordan fearful of plans for new regional order

By Lamis Andoni in Amman

JORDAN now finds itself more seriously at odds with Washington than at any time in its history.

Amman fears the US, in the wake of the Gulf war, will seek *to impose a new regional order* to the detriment of the kingdom and Palestinians.

King Hussein's criticism of the allied bombardment of Iraq, *delivered in a televised* address last week, was in part a reflection of these misgivings.

A former Jordanian official said: "It was a message that the US cannot impose a new world order, involving a new set up in the region, that will serve American interests at the expense of Arab aspirations."

King Hussein's accusation that the US and the allied forces were deliberately and *systematically destroying* Iraq also reflected increasing Jordanian suspicions that Washington would abandon Jordan once the war was over.

There are some who argue that Washington might now seriously entertain using Jor*dan as a substitute homeland* for Palestinians, or as a territory to be divided between Israel, Syria and Saudi Arabia.

In his speech, which drew an angry reaction from the US administration, King Hussein asserted that the allies were *planning to divide* the "spoil" of war once the conflict was over.

But Middle East experts in Washington disagree, saying that while Jordan might suffer in the short term the country remained crucial to regional stability.

Ms Helena Cobban, from the Brooking Institute in Washington, said: "There is a war mentality of that who is not with us is against us. But there are many people who appreciate Jordan as a buffer and when they think calmly about the region they realise it will be more chaotic without Jordan."

Anti-American *sentiment* in Jordan is rife, with people accusing Washington of ignoring regional sensitivities in charting Middle East policy.

"They only see American interests when they talk about a new world order. What they ignore is that there is a discrepancy between preserving the American way of life and the welfare of people in the region," a Jordanian close to the government said.

Mistrust in American intentions towards Jordan has been fuelled by economic pressures exerted by the US and Saudi Arabia – the kingdom's two principal financial backers – following King Hussein's refusal to join the US-led alli*ance against Iraq*.

Jordanian officials say King Hussein is falling back on popular support. "Democracy is Jordan's safety valve", said an official, referring to the 18-*month-old democratisation* process.

American Middle East experts do not think the US will seek to undermine King Hussein.

"There are no alternatives in Jordan for his [Hussein's] leadership", said Mr William Quandt, of the Brooking Institute.

Jordanian are still fearful, however, that when a new *order is drawn up*, Jordan's views and those of other Arabs will be ignored.

"What we are trying to say is that the US might win the war but it will not win peace... we shall not allow the US to impose its new world order *upon us*," an *official said*.

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WORLD TRADE NEWS

Otis Elevator in move to strengthen Soviet venture ties

By Andrew Baxter

OTIS ELEVATOR, the world's biggest lift maker, yesterday announced plans to strengthen its position in the Soviet Union, the world's largest market, by entering a joint venture with two Soviet partners in Leningrad.

The move follows the establishment in July of the first Otis joint venture in the Soviet Union, and is part of a strategy by Otis to gain a manufacturing foothold in eastern Europe following the political and economic liberalisation of the past two years.

Otis is owned by United Technologies, the Connecticut-based conglomerate, and is one of the few US companies to have secured a manufacturing base in eastern Europe over the past 12 months. In September, it bought a majority stake in BAF, an east Berlin-based liftmaker with 1,000 employees, and over the next two years will be modernising its production lines and updating its product range.

In the Soviet Union, however, the poor condition of state-owned lift factories meant that takeovers were not feasible. Instead, the company has opted to build new plants in association with Soviet partners.

In July, Otis announced the establishment of Shcherbinka Otis Lift, near Moscow, which will be 55 per cent owned by Otis and 45 per cent by Shcherbinka Lift Plant.

The latest venture, Len Otis Lift, will also be 55 per cent owned by Otis, with the balance held by Leningrad's Experimental-Mechanical Factory (OMZ) and the Leningrad Construction Committee (LSK). The Otis investment is being made through its UK subsidiary.

Len Otis Lift will produce Otis-designed elevators in a 17,000 sq metre plant to be built in Leningrad and completed in 1992.

Together, the two ventures should enable Otis to capture about 10 per cent of the Soviet lift market, but ultimately it hopes for a 25-30 per cent market share, according to Mr Pierre Fougeron, president for Otis European and Transcontinental operations.

The lifts to be built by the joint ventures will be relatively simple electromechanical models for the Soviet housing market.

Cathay Pacific to decide on $2.25bn order by May

By Paul Betts, Aerospace Correspondent

CATHAY Pacific expects to decide on a $2.25bn (£1.15bn) new aircraft order by the end of May, Mr Peter Sutch, the Hong-Kong airline's deputy chairman and managing director, said yesterday.

The airline is considering acquiring up to 15 new wide-body aircraft for its expanding South East Asian operations.

Mr Sutch said the airline was looking at the new twin-engine wide-body Boeing 777, a proposed stretched version of the Airbus A330, and plans by McDonnell Douglas to develop a bigger version of its MD11 trijet called the MD12X.

The new aircraft would replace older airliners between 1996 and 2002 on Asian routes.

Mr Sutch explained that Cathay Pacific had re-focused attention on the Asian market because of its stronger growth prospects compared with US and European long-haul markets.

Rolls-Royce, which has become a leading engine supplier for Cathay, appears well placed in the competition to supply the engines for the new Cathay wide-body aircraft.

Cathay has already chosen the Rolls-Royce high-thrust Trent engine to power an earlier order for Airbus A330 twin-engine aircraft.

Rolls-Royce is offering the Trent on the Boeing 777, the A330 and the MD11.

OECD Export Credits Rates

THE Organisation for Economic Co-operation and Development yesterday announced new minimum interest rates for officially-supported export credits (January rates in brackets):

D-MARK 10.01 per cent (10.12);
FRENCH FRANC 11.31 (11.43);
GUILDER 10.06 (10.15);
ITALIAN LIRA 13.04 (12.96);
YEN 7.60 (same);
PESETA 15.51 (15.54);
STERLING 11.8 (11.96);
SWISS FRANC for credits of less than eight years 8.30 (same); for credits of more than eight years 8.55 (same);
US DOLLAR for credits of up to five years 8.60 (8.63); for credits of over five years 9.00 (9.03).

These rates are published monthly by the Financial Times, normally on the second Tuesday or Friday of each month, whichever is sooner. They apply to all export credits, except that on those to middle-income and poor developing countries the OECD matrix rate can be used if it is lower. This is a standard set of rates reviewed twice a year, in January and July.

Norwegians in lending pact

EXPORTFINANS, the financing and export credit institute of the Norwegian commercial banks, and Norad, the Norwegian agency for development aid, have signed an agreement with the World Bank meant to increase sharing by Norwegian companies in World Bank projects, Karen Fossli reports from Oslo.

The accord will better place Exportfinans to act as co-lender to World Bank projects in which Norwegian companies participate. Similar agreements have been made by the World Bank with Sweden and Finland. To boost Norwegian industry's profile in Washington, Exportfinans will finance 25 per cent of the costs in setting up a representative office.

Correction

In the Financial Times of February 6, Hong Kong was incorrectly described as not being a member of the General Agreement on Tariffs and Trade (Gatt). Hong Kong became a member of Gatt in April 1986.

Trade pact brings Canada new hopes and fears

Business and unions are in conflict over a deal with Mexico, writes Bernard Simon

THE prospect of a North American free trade zone, including the US, Canada and Mexico, is raising the same hopes and fears in Canada which accompanied implementation of the bilateral free trade pact between Washington and Ottawa two years ago.

The business community, which generally favours liberalised trade, and the labour movement, which opposes it, insist the record of the past two years bolsters their arguments for and against a deal with Mexico.

"While the short-term adjustment may not be appealing, it is in the best interests of the manufacturing sector," says Mr Todd Rutley, senior economist at the Canadian Manufacturers Association (CMA). Nine out of 10 CMA members favour a deal with Mexico, including three-quarters of those who acknowledge the widening of the free trade zone may pose more of a threat than an opportunity to their businesses.

But the Canadian Labour Congress (CLC) has blamed the US-Canada pact for a long list of woes, ranging from the strong Canadian dollar and the loss of 226,000 jobs to a record number of foreign takeovers. Many of the CLC's arguments are based more on guesswork than empirical research, but opinion polls show roughly half the Canadian public remains sceptical about the benefits of the agreement with the US.

The heat generated on both sides of the argument has obscured the fact that the Free Trade Agreement (FTA) has wrought remarkably few tangible changes in the US-Canada trading relationship.

Customs tariffs, which are due to be phased out entirely by 1998, have fallen by an average of only about 2 percentage points since January 1989. At the same time, the average tariff rate on all Canada's imports has dropped from about 3.6 per cent to about 2.8 per cent. In any case, two-thirds of Canada's imports from the US were already duty-free before the FTA.

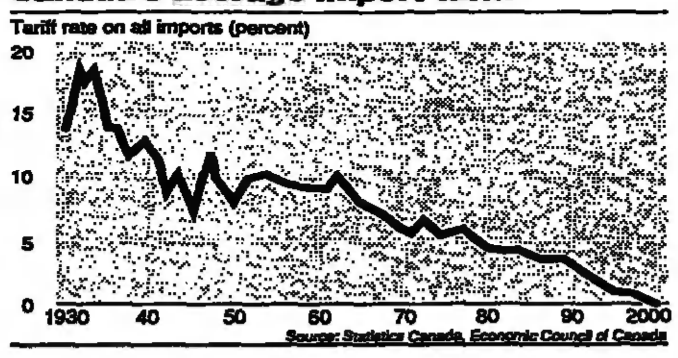
Most non-tariff barriers between the two countries remain intact. Negotiations on subsidies are being put off until the completion (or collapse) of the Uruguay Round.

Perhaps the greatest achievement of the FTA so far has been its innovative dispute settlement mechanism, under which 17 cases (14 of them initiated by Canada) have been referred to bi-national panels.

The limited scope of the agreement means that broader factors have played a much greater role in trade and investment flows over the past two years.

The strong Canadian dollar, unusually high domestic interest rates, the recession and the general globalisation of business appear to have had a greater influence on business decisions than the trade pact. Particularly, a spate of mergers and acquisitions in the food industry has encouraged rationalisation of production facilities on both sides of the border.

Canada's average import tariff



On the policy front, Dr Edward Neufeld, the Royal Bank of Canada chief economist, says difficulties in Canada "lie not with trade but with fiscal deficits, cost increases, inter-provincial trade barriers, federal-provincial tax disharmony, and low productivity".

A Royal Bank survey indicates that high labour costs and tax rates in Canada have been far more persuasive than the FTA in decisions by companies to move operations south of the border. Respondents said the FTA was the least important of eight factors in their decisions.

The direct impact of lower customs tariffs appears to have been limited so far to relatively few Canadian industries. They include furniture makers, who have undoubtedly struggled to compete against bigger, more specialised US factories. The clothing industry, on the other hand, appears to have benefited from access to cheaper textiles.

In general, the main impact of the trade agreement appears to be a psychological one – what the CMA's Mr Rutley calls the "kick in the backside" effect.

It has spurred companies with operations on both sides of the border to think long and hard about integrating them more closely. Instead of having factories in the US and Canada supplying the same item to each market, a growing list of companies – among them, Procter and Gamble, Campbell Soup and the Canadian steelmaker Stelco – are centralising production at a single, big plant. More often than not, that plant is south of the border.

The surge in cross-border shopping by Canadians has more to do with the strong Canadian dollar than the free trade agreement. But Royal Bank predicts that as tariffs come down, US-based retailers with stores in both countries will consolidate their buying operations, thereby narrowing prices between the two countries.

Canadian retailers are also demanding that their suppliers price goods at a level which enables them to compete more aggressively with US stores.

With its high costs and poor productivity record, Canadian manufacturing industry is likely to find the adjustment to a free trade arrangement with Mexico even more painful. Dr Neufeld predicts that the transitional arrangements for Mexico will be more detailed than those in the Canada-US FTA.

On the other hand, the issue which aroused some of the strongest feelings in Canada in the run-up to the pact with the US will get scant attention in the negotiations with Mexico.

Many Canadians were, and still are, worried that closer commercial ties with their giant neighbour will inexorably threaten the panoply of government programmes which support domestic publishing, broadcasting and other activities which help preserve Canadian culture. It is hard to find any Canadian however, who sees Mexican culture as a threat.

US packagers in European push

By Kenneth Gooding, Mining Correspondent

REYNOLDS METALS, the second-biggest US aluminium group, yesterday launched an American-made range of food packaging products in Germany, as part of a strategy to become a serious contender in the highly-competitive European packaging industry.

Lessons from the two campaigns will be used as Reynolds moves into other countries

A series of recent acquisitions has diversified Reynolds' packaging operations, based on aluminium foil, to include plastic and paper products.

It now has one of the biggest packaging business in the US.

Until yesterday, Reynolds' operations in Europe were limited to supplying foil packaging from its rolling mills in Belgium and Spain to those countries and to France.

Mr Mike McClintick, Reynolds Europe's marketing manager, consumer products, said Germany had been chosen as the launching pad for an aggressive move into the European packaging business because it was a largest and most mature market in the region.

Reynolds would shift the attack to Belgium, another big food packaging market, later this year. Lessons from these two launches would be used as Reynolds moved into other countries.

The group will supply the packaging products, which it claims are all of higher quality than usually found in Europe, from North America.

"Once we have developed the market we will consider sourcing from Europe," said Mr McClintick.

Taiwanese investment overseas soars 177%

TAIWAN'S foreign investment totalled $274.68m (£140.8m) in January, up 177.6 per cent from $98.95m a year earlier, the island's Investment Commission said, AP-DJ reports from Taipei.

Foreign investment in Taiwan increased to $120.23m in the same period, up 39.6 per cent from $86.15m, the commission added.

The largest share of Taiwan's foreign investment was in Indonesia, totalling $58.96m, against just $1.5m in January 1990.

This was followed by the US, where Taiwan had invested $13.95m (down 55.26 per cent); Malaysia, $12.39m (up 1.52 per cent); and Thailand, $6.18m (up 817.36 per cent).

Most of Taiwan's investment overseas was in the services sector.

The US was the largest overseas investor in Taiwan in January, with investments valued at $40.64m, compared with $3.6m a year ago.

Japanese investment in Taiwan surged 95.54 per cent to $39.29m in the same period, while European investment rose 45.61 per cent to $26.38m.

(Continued on the following page.)

AMERICAN NEWS

Haiti's new government promised $250m aid

By Canute James in Kingston

PRESIDENT Jean-Bertrand Aristide's new government in Haiti has been promised just over $250m in loans and foreign aid, in what officials say is a statement of support for the administration.

The European Community is providing $144m, according to government officials, while the other main donor, the US, is giving $87m. Smaller amounts have been promised by international agencies and other countries, including Taiwan ($12m).

Meanwhile, Father Aristide, installed last week after a handsome electoral victory in the Caribbean republic, has named Mr René Preval, a businessman, as prime minister. The appointment requires ratification by parliament.

The appointment of a conservative businessman is being taken by diplomats in Port-au-Prince, the capital, as further indication of a moderation of Father Aristide's policies. His pre-poll popularity has been based on his espousal of liberation theology.

In a clear attempt to implement a pre-election promise to end official corruption, the president has retired several senior army officers – although retaining General Herard Abraham, head of the army – and ordered about 150 officials of former administrations to stay in the country.

These include Mrs Ertha Pascal-Trouillot, interim president until Fr Aristide took over. He has said her 11-month administration would have to account for a sudden expenditure of $43m. The army officers are considered supporters of the Duvalier family dictatorship, felled in 1986.

US drops out of world machine tool top five

By Andrew Baxter

THE US has dropped out of the world's top five producers of machine tools, with sales in the last quarter of 1990 hit by uncertainty over the Gulf crisis and the growing domestic recession.

US output of machine tools – the basic machines of manufacture – fell by 11 per cent last year to $3.14bn, according to American Machinist.

With Switzerland having lifted its production from $2.25bn to $3.18bn, this meant the US lost its place in the top five for the first time in the 27 years that the magazine has been compiling global data.

Consumption of machine tools in the US – defined as domestic production plus imports, less exports – also fell 11 per cent to $4.42bn, after a 25 per cent rise in 1989.

The fall in consumption, often viewed as a measure of a country's rate of industrialisation, pushes the US into fourth place among industrial nations – behind Japan, the Soviet Union and West Germany.

The decline in the US market meant that imports increased their market share from 48 per cent to 53 per cent, even though they fell in value from $2.4bn in 1989 to $2.34bn, says the magazine.

The US remains the biggest importer of machine tools, with Japan supplying roughly half of all its imports.

The one piece of good news for US machine tool builders was a 12 per cent rise in exports to $1.06bn, reflecting improved competitiveness.

The outlook for the US industry remains uncertain. The magazine comments: "Forecasters who had last year predicted a level 1991, and growth in consumption and production in 1992, were a lot less sure about what would happen as war against Iraq drew nearer last month."

US production last year represented 7 per cent of total world output, which rose 9.5 per cent to an estimated $46.5bn.

The 12 member countries of Cecimo, which groups western European machine tool industries, had a 45 per cent share, followed by the Pacific rim countries with 29 per cent.

Peru's guerrilla leader taped

By Sally Bowen in Lima

MR Abimael Guzmán, the former university professor who has led the Maoist guerrilla group Sendero Luminoso in Peru since it was founded in the early 1970s, is the object of a vast police search and some 20 of his closest associates are already behind bars.

An intense personality cult has grown up around him during the many years that Mr Guzmán has shrouded himself in impenetrable secrecy.

So Peruvians were amazed at the weekend as they watched, on national TV, a cassette made by one of his inner circle. It showed him carousing with the higher echelons of the group, drinking and clumsily dancing Zorba's Dance, to the giggles and applause of adoring female followers.

The tape – believed to have been made in 1987 and late-1989 – has provided provided police with irrefutable proof of the identity of many associates.

The celebrating revolutionaries were dressed in uniform blue shirts, but the pictures contrasted sharply with the austere, moralistic image Sendero has cultivated.

The tape was discovered during a recent police and naval intelligence operation. President Alberto Fujimori decided to let excerpts be broadcast, a pirated copy having been offered to local television stations for $20,000.

He claimed the scenes revealed Mr Guzmán as "a man of flesh and blood, who likes parties, jewellery and expensive drink – quite unlike the austere image which he has fabricated of a revolutionary leader".

The president underlined the success of his "new" counter-subversive strategy, aimed at capturing Sendero leaders rather than hitting "humble peasants forcibly led by a handful of militants."

Mr Gustavo Gorriti, writer and expert on Sendero, applauded the strategy but said Mr Fujimori was wrong to claim it as new. Peruvian police intelligence techniques have been improving steadily over the last year or more, said the writer.

The recent operation was the result of painstaking police work following the discovery last June of Sendero party archives and records in another temporary Lima headquarters.

Mr Gorriti said the operation's success was "important because it has reduced Guzmán's mythical secretiveness. It has also created a serious security problem for him – he is now easily recognisable."

US oil exploration may be widened

THE US Department of the Interior plans to propose that vast new areas off Alaska, Florida, California and the east coast be opened to oil exploration and studied for possible leasing to oil companies, a departmental spokesman said yesterday, AP-DJ reports from New York.

The proposal, in the department's regular five-year plan to be sent to Congress shortly, is part of the department's strategy to limit the areas to be opened and exclude environmentally sensitive sites, the spokesman said.

The New York Times had reported on Sunday that the plan takes into account President George Bush's declaration last June that most of California and all of the southern Florida coast stay unexplored for oil for 10 years.

The plan still faces stiff Congressional opposition.

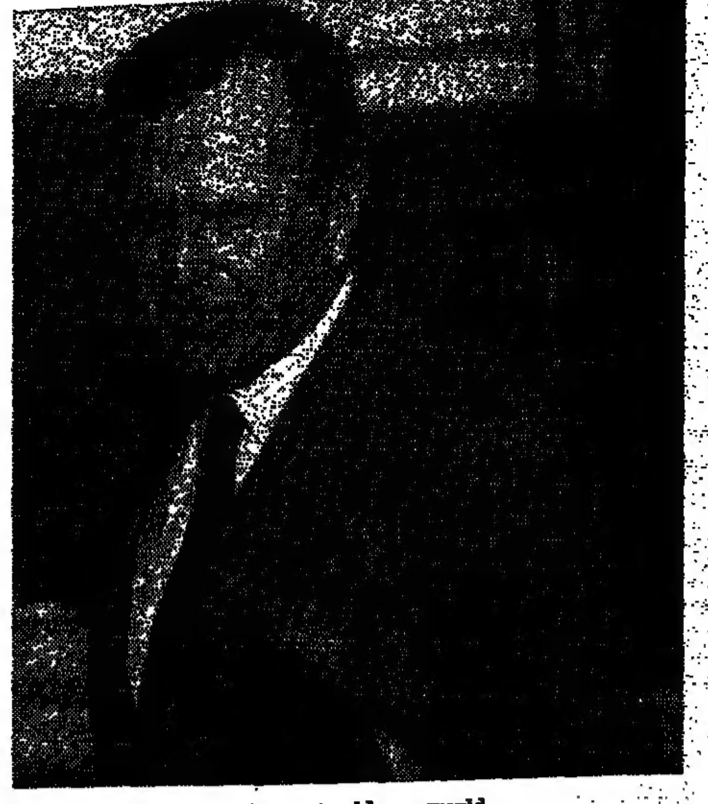
The department said the plan has been ready since December, but its release is being held back in deference to the release of Mr Bush's much-awaited national energy strategy.

The department has also reported recently that new studies show that the possibility of recovering economically viable quantities of oil in the Arctic National Wildlife Refuge in Alaska has risen from 19 per cent to 46 per cent.

● Bills to require the use of recycled materials by US producers of tyres, lead batteries, newsprint and motor oil have been introduced in Congress.

The bills make use of clauses in the 1990 Clean Air Act. Limits were set for emissions of chemicals linked to acid rain, and marketable credits were granted to utilities exceeding standards.

America shoulders the hard work of freedom



George Bush: Leading the post-cold war world

Peter Riddell assesses divergent US attitudes to the prospect of a new world order

THE phrase "new world order" has become a familiar incantation every time President George Bush is asked what is at stake in the Gulf war. Yet, unusually for Washington, there is no eagerness to step forward and claim authorship.

Even officials with considerable influence over US foreign policy-making distance themselves from the concept. It is too vague, too reminiscent of the New World Information Order and other vestiges of the United Nations at its most nebulous.

It is very much Mr Bush's idea, reflecting his view of the US as the leading power in the post-cold-war world, as well as his experience as US ambassador at the UN 20 years ago.

The term covers a range of policies – from the role of the UN, the development of post-war security arrangements for the Gulf, to how the US sees its relations with other countries.

However, critics suspect that, stripped of Mr Bush's fine-sounding phrases, the new world order amounts to a Pax Americana.

A revealing insight has come from Mr Robert Gates, the president's deputy national security adviser. In a recent interview, he looked back to previous US attempts collectively to resist aggression – Woodrow Wilson backing the League of Nations (though rejected by Congress) and Franklin Roosevelt launching the United Nations.

However, since the late 1940s, "with the expansion of communism, every issue that came before the UN was stymied because it took on an East/West character."

Mr Gates sees Mr Bush's new world order as "a view that with the ending of the cold war, particularly in Europe, and a change in the practice of Soviet foreign policy in many respects, this automatic East/West conflict, whenever there is an aggression or a problem in the world, has disappeared." He cites Soviet co-operation in the Gulf crisis.

According to Mr Gates, the two main premises of the new world order are, first, that the UN can be used in the way it was originally anticipated by its founders and, second, that there is the collective acceptance by a diverse number of countries of a responsibility for burden sharing, in providing both money and military forces.

President Bush himself has linked a more co-operative US/Soviet international relationship with a revitalised and more credible peace-keeping function for the UN. The absence of the Soviet veto in the Security Council, and the passive attitude of China, were crucial to the passage of the 12 Security Council resolutions on the Gulf.

Mr Bush sees the new world order in distinctively American terms. As he argued in his State of the Union address last month: "We Americans have a unique responsibility to do the hard work of freedom. Among the nations of the world, only the US has had both the moral standing and the means to back it up. This is the burden of leadership and the strength that has made America the beacon of freedom in a searching world."

Many American conservatives go further and believe Mr Bush is unnecessarily involving the UN and the Soviet Union. To them the UN can guarantee nothing and it is a mistake to continue treating the Soviet Union as if it was still a superpower. As columnist Charles Krauthammer argues in the latest issue of Foreign Affairs, "our best hope for safety is in American strength and will to lead in a uni-polar world, unashamedly laying down the rules of world order and being prepared to enforce them."

This uni-polar view underestimates the significant political advantage for the US in gaining international authorisation for military action via the UN, even if the leadership and enforcement are primarily US.

Similarly, President Bush believes it is necessary to treat the Soviet Union as a leading power, not least because of its possession of large number of nuclear weapons. Soviet acquiesence in US policy in the Gulf crisis, and now war, even if at times the support is somewhat strained, has broadened Mr Bush's options. A more hostile Soviet Union, with the military having a greater say, as is now feared in Washington, would make both the conduct of Gulf policy and the creation of the new world order much more difficult.

Mr Bush's belief in America's unique leadership role is no reversion to the thinking of the late 1940s and 1950s. It is leadership plus a begging bowl. Many in the US, notably in Congress, almost make a condition of their support for the war that it is mainly financed by the Gulf states, Japan and Germany – what Mr James Baker, the Secretary of State, calls "responsibility sharing."

Many other countries pause when they hear US officials talk about collective burden/responsibility sharing. As Mr David Gompert, the European specialist on the National Security Council staff, recently pointed out, Americans and Europeans have different views of the definition of partnership. For the US, it means foreigners contributing more financially to US military operations. For Europeans, it means having a more independent role and say in decisions.

Mr Bush prides himself on his consultative style of leadership via his constant round of telephone diplomacy – the AT&T presidency. But important though this involvement is, it is no substitute for more formal structures if burden sharing and the new world order are to have any lasting meaning.

Surinam calls general election for May 25

SURINAM will hold its first general election for nearly four years on May 25, the National Assembly announced late on Sunday, AP reports from Paramaribo.

The government said elections will also be held that day for the lower representative bodies – the municipal councils and the provincial councils.

President Johan Kraag said national and international observers will be allowed to watch the elections. The last ones were held in 1987.

Mr Kraag has led a provisional government since December 24 when a military coup deposed President Ramsewak Shankar's government.

The new president said the electoral register will be open for inspection from February 13 to March 15; the political parties that want to participate will have to register a week later. Candidates are to register by April 10.

A main contender is the Front for Democracy, representing three ethnically-based political parties – the Creole National Party, the East Indian National Reform Party, and the Javanese Farmers' Party. Some 8,000 Surinamese live across the eastern border in French Guyana and are asking to be permitted to vote.

The front won a sweeping victory in the 1987 elections taking 45 of the 51 seats in the National Assembly. The military, who had allowed the elections, won only three seats.

However, the army remained a deciding power behind the scenes and the Shankar government was considered powerless.

GM truck strike ends in Mexico

ABOUT 2,600 workers at General Motors' Mexican assembly plant have returned to work after a one-day strike called to press demands for a 40 per cent pay rise, Reuter reports from Mexico City.

GM said the strike, which began at midnight on Friday, ended on Sunday afternoon after workers had accepted the company's original offer of a 23 per cent pay rise.

Activity at the plant, which produces pick-ups and other trucks for the Mexican market, was back to normal by yesterday morning.

The government news agency said the strike ended after the Labour Ministry, responding to a petition from General Motors, had declared the stoppage illegal.

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Leading Communist opens up to defend the official media's heavy-handed approach

Soviet broadcasting chief protests that glasnost still rules

By Quentin Peel in Moscow

MR Leonid Kravchenko, the Communist installed as head of the Soviet state broadcasting service, and second only to President Mikhail Gorbachev on the blacklist of Soviet democrats, yesterday sought to prove that contrary to all appearances he is a passionate supporter of glasnost – or openness – for the nation's viewers.

For two hours, he expounded on why the growing signs of political censorship on the main Soviet national television channel are not a threat to democracy, and on how he remains a committed reformer.

His words were greeted in stunned amazement by more than 100 Soviet and foreign journalists, who have watched in horror recently as Vremya, the main television news programme, has reverted to heavy government propaganda and exhortation. Simultaneously, Vzglyad, the most popular and outspoken news feature programme, has been silenced since the start of the year.

Mr Kravchenko chose the revealing setting of the Communist Party press centre in the luxury Oktyabrskaya Hotel – and not the normal government press centre – to defend his reputation, and to attempt to cover his back against the furious attacks of Soviet radicals.

He announced that a request by Mr Boris Yeltsin, the Russian president and Mr Gorbachev's greatest political rival, for an hour's live broadcast on the main Channel One was close to approval – at least for half an hour. He also insisted that Vzglyad could return to the screen, although under unspecified conditions laid down by the television administration.

At the same time, he said that the heavy-handed party line of the main TV channel was no proof that glasnost was over; listeners and viewers now had a string of alternative news sources, such as Leningrad television and Radio Rossia.

Yet the flavour of the occasion came from the extraordinary sight and sound of a professional communicator using the whole lexicon of glasnost and journalistic freedom to state the opposite.

He defended the official media's failure to provide regular and accurate information of ethnic disturbances around the nation as a desperate effort to provide balance. In the disputed region of Nagorny Karabakh, for example, he said reports should wait until there was an equal number of both Armenian and Azerbaijani victims.

It was obvious that the Soviet media, such as Tass news agency where he used to be director-general, preferred to report foreign news to the stormy domestic scene. "We know there will be no meetings and protests arranged abroad. Nobody would hold us responsible and threaten to kill us," he said. "And there have been such threats."

Then the man who presided over totally one-sided, pro-Russian and pro-Communist coverage of the recent disturbances in the Baltic republics, declared: "Our journalists should try to be above politics. There is a supreme duty to consider information the property of all the people. Information is a great force which prevents catastrophes taking place." He criticised the failure to report the Chernobyl disaster for four days in the Soviet media.

He admitted cutting out TV pictures of Soviet soldiers hitting unarmed protesters in the face with their rifle butts during the assault on the Lithuanian TV station last month. On the other hand, he said, he did run interviews with Soviet servicemen who had been involved in the attack (claiming they had been fired on, although no corroborating evidence has ever been produced.)

Mr Kravchenko defended his tough stance in negotiations with Mr Yeltsin's Russian parliament over its demand for its own television channel, insisting that Russia would get it only at the expense of the other Soviet republics. Instead the Russians were being offered six hours a day on Channel Two, he said. As for property, everything the state broadcasting committee had was its own property, and Russia would have to look after itself.

The whole exercise was redolent of double-speak of the Brezhnev era, except that Mr Kravchenko felt the need to appear and defend his policies. That was the one proof that in spite of the signs of reversion to an old style, something has changed with glasnost and perestroika.

CFE talks on troop levels open in Vienna

NEGOTIATORS from 22 countries met in Vienna yesterday to begin the second stage of an agreement to cut conventional forces in Europe, Reuter reports from Vienna.

The Conventional Forces in Europe (CFE) talks, which last November concluded a historic treaty slashing arsenals of heavy weapons in Europe, resumed to discuss slimming down troop levels.

The delegates of the 16 Nato countries and six from the Warsaw Pact, which is soon to be wound up, met in working groups and were scheduled to hold their first plenary session of the new round on Thursday.

The talks are overshadowed by US claims that Moscow is trying to circumvent the treaty by reclassifying ground forces as naval units and by pulling large amounts of weaponry east of the Urals, outside the treaty zone.

Last week Mr James Baker, US secretary of state, said the treaty should not be sent to the Senate for ratification until the Soviet Union had clarified its position.

The CFE treaty set ceilings on the number of tanks, artillery, armoured cars and aircraft each alliance can hold. The second stage of talks will set new national limits on personnel and will also cover the question of aerial surveillance.

Turkey looks for short-term solutions

ALL it required was a call to the German Bundesbank and three hours later Turkey had delivery of DM500m (£170m) in crisp new banknotes.

Four weeks into the war, Turkey is having to resort to some unusual measures to meet its short-term financing needs. The despatch of the D-Marks, which Turkey held in Germany as part of its foreign reserves, was the government's latest invention – a move prompted by the recent rush on foreign exchange kept in the Turkish banking system by people anxious to have cash in hand during the Gulf war.

President Turgut Ozal insists that economic reform is still on track, warning businessmen in the Aegean port of Izmir last week "not to expect the state to dress up the wounds caused by the Gulf crisis".

By John Murray Brown in Ankara

Yet the finance ministry has already announced that all limits on defence spending have been lifted, adding to pressure on the budget. Strikes have been banned for 60 days.

In another step bringing the economy on to a war footing, parliamentary committees last week discussed a government request for decree powers which would allow the cabinet to bypass an assembly vote on key economic decisions.

Government growth projections remain cautious, using a $30 a barrel oil price. Oil is Turkey's largest single import item. Prices are currently around $20.

But inflation, already near 60 per cent, is on the rise again, as state enterprises adjust to the higher fuel bill and the government's expenditure squeeze. Most economists expect this year's current account deficit to be bigger than the $2.3bn for the first 11 months of 1990 – equivalent to around 2 per cent of GNP.

The need to maintain high reserves – now at around $5.6bn – is merely adding to the problem by fuelling upward pressure on the lira. This in turn is making Turkey's exports less competitive. The impact will be partially offset by a slowdown in imports, reflecting the war's effects on the economy.

No one knows the effect on this summer's tourist revenues - traditionally a big item on the balance of payments. Equally, the remittances from Turks working abroad, particularly the 1.5m in the united Germany, are expected to be down on previous years.

Much to its credit, Turkey shows no sign of wavering from its commitment to an open capital account, and the free convertibility of the lira. Bankers say confidence in the lira has been restored.

But the problem is that Turkey's policy options are increasingly limited. In the short term, Turkey will look to capital from official sources as compensation trickles in from its allies in the Gulf crisis.

Grants from the Kuwaiti emir and a Saudi oil loan, will enable Turkey to restrain the budget deficit and finance the balance of payments. Negotiations on an Ecu175m (£134.6m) interest-free European Community loan were also completed last week.

The World Bank and the Turkish treasury are also understood to be reviewing the disbursement of various sector loans whereby the Bank would take over some of the Turkish portion of the funding during the crisis.

But Turkey's channels to commercial banks are less assured. Traditionally a regular player in Eurobond markets, Turkey has scrupulously met service obligations on its $42bn foreign debt. However it has not ventured into the market since the crisis began.

Gulf banks have special problems. But even before the invasion of Kuwait western and Japanese banks were seeking to limit their exposure in line with efforts to meet the Bank of International Settlements' capital adequacy ratios.

Lithuanians embark on approving their new constitution

By Quentin Peel

THE Lithuanian parliament last night launched the process of approving its new constitution as final figures confirmed an overwhelming 90 per cent vote in favour of an "independent, democratic republic" in last weekend's poll.

The vote, declared legally invalid in advance by President Mikhail Gorbachev, leaves the Soviet leader in a dilemma about how to respond if it is incorporated into a full-scale constitution.

He also has to decide what to do about further unofficial referendums planned in Estonia, Latvia and Georgia, the next three secession-bent Soviet republics challenging Moscow's rule.

Lithuania's referendum in all but name produced an actual 76.4 per cent of all registered voters in favour of independence, in spite of a partially successful boycott by Russian, Polish and other minority groups.

In Moscow, it produced a continuing eerie silence. Pravda, the leading Communist Party newspaper and the only one published on a Monday, gave the vote a terse three paragraph summary, accurately reporting the outcome. It went on to stress that the vote had been declared invalid by Mr Gorbachev, and that many "sociologists" had predicted the outcome because the question was one which all sensible people would support.

None the less, the result must show Mr Gorbachev that the nationalists in the Baltic republics are not lying about the extent of popular feeling in support of independence – whereas his own security services may well have been.

It also underlines the huge gamble he is taking in calling a nationwide referendum on March 17 on whether to preserve the Union of Soviet Socialist Republics at all.

All three Baltic republics, plus Georgia, Armenia and Moldavia, have said they will not organise that vote. Other groups, such as the Birlik pan-Turkic movement in central Asia, say they will boycott the poll.

● Belgium said yesterday it hoped Lithuania's overwhelming vote for independence would persuade the Soviet Union to begin negotiations with the republic, Reuter reports.

Meanwhile, Iceland's political parties united in urging their government to speed up work on establishing diplomatic relations with Lithuania.

A guard clears the snow yesterday from in front of a tank of the Soviet war memorial near the Brandenburg Gate in Berlin

E German currency fraud costs the taxpayer DM1.5bn

Currency frauds involving the economic merger of east and west Germany last year have cost the taxpayer at least DM1.5bn (£510m), Berlin justice authorities said yesterday, Reuter reports from Bonn.

Ms Jutta Limbach, justice authority spokeswoman, said most frauds involved subsidised exchange payments for bogus exports to eastern Europe under former East Germany's trade system.

It gave exporters a subsidised mark rate for the notional rouble currency to help inefficient east German companies cope with the switch to a free market economy. Other frauds discovered included illegal property deals and currency transfers.

Warsaw's Soviet exports dry up

Polish exports to the Soviet Union have come to a near standstill as eastern Europe switches to hard currency pricing and Soviet importers suffer from a shortage of funds, writes Christopher Bobinski in Warsaw.

At the same time figures released yesterday by the government's statistical office, show Poland's industrial output in January 3.4 per cent down on the previous month and nearly 2 per cent down on January last year.

Polish car maker ready for new era

Poland's biggest car maker FSO closed down yesterday for seven weeks to clear its plant in readiness for a new assembly line producing cars designed by Fiat or General Motors, Reuter reports from Warsaw. The company is dismantling the production line of its FSO 1500, a 1960s Fiat-designed saloon, to reopen its Warsaw plant in April.

Portugal denies deficit on current account

By Patrick Blum in Lisbon

PORTUGAL will have a current account surplus in 1990 and not a deficit, as suggested by the Organisation for Economic Co-operation and Development last week, according to Mr Jose Alberto Tavares Moreira, governor of the Bank of Portugal.

Mr Tavares Moreira told the Financial Times that the latest figures for the first 11 months of 1990 showed a surplus of $131m (£67.1m)

He said: "I believe we'll end the year with roughly the same surplus as for 1989.

"We had the same forecast [as the OECD], but revenues from tourism, emigrant remittances and exports of goods and services have been much better than we expected."

The publication of Portuguese economic statistics is often slow and subject to constant revisions.

The official current account balance for 1989 has been revised several times and is now said to show a surplus of $140m and not a deficit of $550m as was originally published.

Mr Tavares Moreira said the OECD report on Portugal was correct in its comments about inflation – running at over 13 per cent in 1990. "It [inflation] is the weakest point in our economic policy," he said.

He hoped that after showing signs of slowing down in the past two months, the rate of price increases would fall faster than expected this year.

The OECD report said inflation would start to decline significantly in the second half of 1991.

Britons show least faith in schools

THE BRITISH have less confidence in their education system than any other nation in Europe, according to a study of European attitudes commissioned by Reader's Digest magazine, writes Alice Rawsthorn.

The study shows that 37 per cent of Britons, the lowest proportion of any country, have faith in their own education system, compared with 77 per cent of Danes, Swiss and Finns. Similarly Britain, together with Spain, has the lowest percentage of people who stay on at school after the age of 17. The figure for both countries was just 31 per cent, against 85 per cent in the former West Germany and 80 per cent for Denmark.

Britain also scored poorly in terms of people – 22 per cent – with degrees or professional qualifications. The study was commissioned from Gallup.

Dollar falls further as Bundesbank comes out against intervention

By Peter Norman, Economics Correspondent

THE BUNDESBANK yesterday pushed the dollar to new lows against the D-Mark by saying that it was not in favour of intervention to support the US currency.

In an interview with Reuters news agency, Mr Helmut Schlesinger, the Bundesbank's deputy president, indicated that the bank would not participate in intervention to boost the dollar following last week's buying of an estimated $1.5bn (£760m) by European and North American central banks.

"We intervened ... to try to achieve a certain amount of stability in the current uncertain market situation," Mr Schlesinger said.

"The aim [of the intervention] is to calm markets and stabilise exchange rates at a level where intervention is no longer needed. And that is the case at the moment." When Mr Schlesinger spoke the dollar was around DM1.455. In further remarks to Reuters, Mr Schlesinger confirmed the market's suspicion that the Bundesbank had been a reluctant participant in last week's much publicised central bank action.

"It is wrong to say that our enthusiasm [for intervention] has waned. We never were enthusiastic," he said. "In the longer term one cannot really achieve anything [by intervening] against the market."

The dollar slumped immediately after Mr Schlesinger's remarks appeared on foreign exchange dealers' trading screens. It closed in London at DM1.445, down from Friday's closing level of DM1.4565 and below its previous all-time low of DM1.4467 last Thursday.

Mr Schlesinger confirmed that Germany's current strong economic growth was one reason for its lack of concern about the dollar's decline. He said he saw no economic slowdown in Germany. Although some export-oriented sectors of German industry were being hit by the weak dollar, extra demand from eastern Germany meant that industry's productive capacity was fully utilised.

Mr Schlesinger's remarks are likely to add to tensions over economic and monetary policy among the major industrial nations that make up the Group of Seven.

Last week, officials in Britain, France and Italy were highly critical of Mr Nicholas Brady, the US treasury secretary, who had undermined the effects of the central bank support of the dollar by calling for lower interest rates.

France fights temptation of more state aid to industry

Despite EC rules against intervention the downturn is increasing pressure on the government, writes **William Dawkins**

THE French administration has done much to ease back the frontiers of the state over the 10 years since President François Mitterrand came to power.

Yet traces of interventionism remain in a country where state-owned companies still provide 30 per cent of gross national product, among the highest in the European Community's leading economies. The temptation to intervene could increase as the economic downturn starts to bite into some of the more vulnerable members of the state sector, despite the EC's tough application of anti-state aid rules.

A reminder of how the pressure to intervene is building up came last week when Mr Roger Fauroux, industry minister, announced that his department was studying a possible increase in state aid for sectors hardest hit by the economic downturn, like computers, cars, tyres and textiles. The government "could return to a policy of support", he told a French newspaper.

Judging by the dismissive response of some of Mr Fauroux's colleagues, nobody believes that Paris will suddenly return to the massive industrial intervention seen in the early years of the first Mitterrand administration in the early 1980s. But at the same time, the French government will defend its right of industrial ownership against all comers. A taste of what looks set to be a tough debate between Paris and some of its EC partners came only a few days later, when it reacted vehemently against a German proposal that EC member states should be obliged to privatise public enterprises.

Fauroux: downturn dilemma

The French government's scope to support state industry today looks very limited, unless it is prepared further to open government-owned companies' capital to private shareholders. The budget is already creaking under the weight of higher than expected social security spending, to which will be added a hefty bill for the Gulf war.

The European Commission, enthusiastically backed by Germany, Britain and France's biggest private companies, will continue to ensure that Paris is not allowed to subsidise sinking state-owned industries. Having lost the battle to subsidise Renault, France is not easily going to cross swords with the Commission again.

"No, there is no budget leeway for this sort of industrial aid. I might also say that there is no Community leeway, but everyone is free to express themselves," says Mr Pierre Bérégovoy, the finance minister. "Just because we are entering a slowdown, we are not going to make a complete change in our industrial policies," adds a spokeswoman for Mr Michel Rocard, the prime minister.

This is not the first time that Mr Fauroux has raised the idea of increasing support for state-owned industries. He last floated the idea in late 1989 – and it was slapped down by Mr Bérégovoy, for the same reasons as this time.

But even if Mr Fauroux's colleagues continue to disagree with him, he still represents a significant current of thought in the government, particularly among some of Mr Mitterrand's advisers. "We take this pretty seriously. He is probably testing the water," says a member of a leading investment bank.

This latest debate showed that how to respond to the French state sector's big problem – its shortage of capital – is still an unsolved question for the government. It was a big factor in the resignation last year of one minister, Mrs Edith Cresson, in charge of European affairs, unable to convince her colleagues of the need for a strong industrial strategy.

"Industrial policy? The government has no such thing; it just prepares to help out companies when they hit trouble. There is no sense of long-term strategic planning," complains one of her former advisers.

The first companies to give the state a headache in the economic downturn will be Bull, the computer maker which is believed to have lost at least FFr3bn (£300m) last year, and Thomson, the electronics group, which is facing enormous development costs for its campaign to break into high-definition television at a time when markets are in decline.

Extent of public enterprises as a percentage of each industry, by country

	Post	Telecom	Electricity	Gas	Oil	Coal	Rail	Air	Motor	Steel	Ship building
United States	90	0	25	0	0	0	25	0	0	0	0
Japan	100	33	0	0	na	0	25	0	0	0	0
Germany	100	100	75	50	25	50	100	100	25	0	25
France	100	100	100	100	na	100	100	75	50	75	0
Italy	100	100	75	100	na	na	100	100	25	75	75
United Kingdom	100	0	100	25	25	100	100	0	0	75	50
Canada	100	25	100	0	0	0	75	75	0	0	0

Source: OECD

The others, in steel, chemicals, cars, aerospace and air transport, banking and insurance, have started to show poor results. Air France, Aerospatiale and EMC, the chemicals concern, are heading for big losses, while Elf Aquitaine, the oil and gas group, produced a rare bright spot with higher than expected profits last year.

But to whom can the Paris administration turn? It long ago gave up hope for the EC's attempts to prop up the electronics industry through Community-funded research programmes.

With its freedom to subsidise tightly restricted, Paris was able until recently to rely on state-owned banks to help out, as did Crédit Lyonnais in 1989 by acquiring a majority of Thomson's finance division. Yet the state banks, independent-minded at the best of times, are less able to do this as their own results come under pressure.

Banque Nationale de Paris, the biggest state-controlled bank, could and probably would say no if leant on by the government, says Mr Philippe D'Arvisenet, a senior vice-president. All this invites the question of how the government, with all its cross-currents of opinion, can see any logic in maintaining a state sector at a time when its scope for exerting an industrial policy is being reduced on all sides.

Partial privatisation, supported at times by several senior government members, would be one answer. This would in theory be impossible under President Mitterrand's famous "neither ... nor" dogma against both nationalisation and privatisation, designed to create stability after the sharp policy swings of the mid-1980s when the Right came to power.

But that is only in theory. Mr Mitterrand takes even less interest in industrial matters than usual, and applies this particular dogma with huge flexibility – or pragmatism as his advisers would prefer it. Last year's arrival of Volvo, the Swedish car maker, as a big minority shareholder in Renault, is one of several testaments to that. So it may not be surprising to see Bull, Thomson and possibly others on the look-out for partners.

(Continued on the following page.)

Westpac index raises fear of prolonged recession

By Kevin Brown in Sydney

A THREE-MONTH rally in consumer confidence has collapsed amid fears that the Australian recession may last longer than expected, according to a key leading index published yesterday.

The index, published monthly by Westpac Bank and the Melbourne Institute of Applied Economic and Social Research, fell four points to 66.6, just 2.2 points above its all-time low, reached last October.

Mr Bob Graham, Westpac chief economist, said consumer confidence appeared to have been depressed by poor economic prospects and indications that the Gulf War may drag on for some time.

"Whereas in the late January survey, consumers' confidence may have been buoyed up partly by expectations of a continued war in the Gulf, consumer sentiment now seems to be depressed by the fact that neither economic recovery nor an end to the war are clearly in sight," Mr Graham said.

The Westpac-Melbourne Institute index has a good track record as a leading indicator of economic developments. It has been in a downward trend since September, 1988, when it stood at 113.6.

More gloomy figures are likely later in the week when the government is due to publish official estimates of inflation, unemployment and retail trade.

Bob Hawke: inflation top priority

The consumer prices index, due tomorrow, is expected to rise by between 1.9 per cent and 2.1 per cent for the December quarter, implying an increase in the annual inflation rate from 6 per cent to between 6.1 per cent and 6.3 per cent.

However, the index is expected to fall later in the year if oil prices remain steady, and some economists are predicting inflation could fall to a little over 4 per cent by the beginning of 1992.

Unemployment figures, due on Thursday, are expected to show an increase from 8.1 per cent to 8.4 per cent, and could rise significantly higher if economic recovery is delayed much beyond the middle of the year.

Retail trade figures for December, also due on Thursday, are likely to be flat, although some economists say an improvement of up to 0.5 per cent is possible.

The outlook for unemployment will increase pressure on the government to ease official interest further, following a reduction of six percentage points last year.

However, the timing of any easing of monetary policy remains unclear following suggestions by Mr Bernie Fraser governor of the Reserve Bank, that rates may already be sufficiently low to encourage a sustainable recovery.

Mr Bob Hawke, the prime minister, told the Parliamentary Labor party in a speech yesterday that the reduction of inflation remained the government's top priority.

Algeria to relax curbs on foreign currency

By Francis Ghilès

ALGERIANS are to be allowed to buy foreign exchange at the official rate for the first time since hard currency tourist allocations were cancelled in 1986.

The Bank of Algeria, the central bank, has devised a scheme which will allow Algerians to obtain a limited amount of foreign currency in exchange for long-term Algerian dinar deposits.

Subscribers of three-year interest-free dinar certificates of deposit will have the right to exchange 20 per cent of their placements each year into hard currency at the official exchange rate.

This constitutes one small step in the direction of currency convertibility which remains the medium-term aim of the central bank. The bank is building on reforms which last year considerably liberalised the rules governing investment – notably foreign investment – in Algeria.

The central bank may also be hoping that its latest offer, which becomes operative later this month, will mop up some of the 40bn Dinars (£1.4bn)-worth of liquidity which circulates outside the banking system.

On the black market, there are about 30 Dinars to the US dollar. The official rate of the Algerian currency has declined from 12.5 to the dollar to 16.5 since the beginning of the year.

Over the past 12 months, the dinar has lost 52 per cent of its value against the dollar. The central bank appears to be aiming to bring the value of the dinar down to between 17-18 dinars to the dollar.

Bringing the parallel rate into line with the official one remains an essential aim of the central bank but it has been wary of moving faster – as the IMF and World Bank recommend – for fear that inflation, which reached 20 per cent last year, gets out of control, a real risk in the present volatile political situation.

US and Philippines resume talks over military bases

US and Philippine negotiators opened a fifth round of talks yesterday on the future of US military bases in the country with both sides expressing guarded optimism of an early agreement, Reuter reports from Manila.

A lease on the bases expires in September and sharp differences on compensation for future US use of the facilities have blocked a new treaty.

"There are some significant issues that still need to be resolved. I don't want to mislead anybody by suggesting there has been tremendous progress," Mr Stanley Schrager, spokesman of US negotiating panel, told a news conference in Manila.

But he added: "We are hopeful we'll be able to reach a tentative agreement by the end of the week." Mr Raul Manglapus, the foreign secretary and head of the Philippine panel, told reporters after the talks that he remained optimistic a new agreement could be reached by the end of the week.

In addition to the compensation issue, the two countries have still to hammer out an agreement on the sensitive question of jurisdiction over American servicemen committing crimes in the Philippines.

Mr Schrager said both panels are under pressure to come up with a compensation deal so the request for money could be submitted to the budget being presented to the US congress by the end of February.

Mrs Corazon Aquino, the Philippine president, after testifying in a libel trial over comments in a newspaper

● Mrs Corazon Aquino, the Philippine president, testified in a libel trial yesterday that comments in a newspaper column saying she had hidden under her bed during a 1987 coup attempt damaged her credibility as the nation's leader and commander-in-chief, Greg Hutchinson adds.

Mrs Aquino, 58, initiated the action against Louis Beltran, the columnist, the Philippine Daily Star newspaper, Maximo Soliven, the publisher, and three others.

Seychelles happy to reach UN needy list

NOTHING could seem further from the tumult of the Gulf War than the palm-fringed beaches of the Indian Ocean.

For the tiny economy of the Seychelles, however, the Gulf crisis has brought a double ration of problems.

On one side, the Iraqi invasion of Kuwait put a stop to the Seychelles' traditional imports of oil from the Gulf emirate on concessional terms – about 20 per cent below market prices and oil accounts for virtually all the archipelago's energy needs.

On the other hand, hotel bookings in the island paradise have plunged by 60 per cent. The impact of rising aviation fuel costs on air fares and the panic over the terrorist threat have crippled the tourist trade, which traditionally accounts for nearly 27 per cent of the Seychelles' gross domestic product and 42 per cent of exports.

To compensate, the government has had to take drastic steps to curb non-essential imports and to impose temporary foreign exchange controls.

"The immediate impact of the Gulf will be relatively catastrophic for us, though we hope it will not last. But we think that even after the war the effects will persist, and 1991 will not be a good year for tourism," says Mrs Danielle de St Jorre, the Seychelles minister for planning and external relations.

This double blow creates serious development difficulties. The country has been listed by the United Nations Security Council, along with 17 other nations, as among those most affected by the Gulf crisis. Yet its per capita income of $4,167 (£2,137) a year, one of the highest in the sub-Saharan Africa zone, has always disqualified it from a number of aid programmes, even though the Seychellois argue that their islands' import dependence makes them much poorer in terms of purchasing power.

George Graham reports on how the tiny economy of the Indian Ocean state is now suffering on two fronts

Already, the last year has seen a number of aid flows dwindling or drying up entirely.

Western nations tended to switch their aid effort towards the newly liberated countries of eastern Europe, while scholarships and technical assistance from eastern Europe and the Soviet Union ground to a halt.

"After the events in eastern Europe, there was definitely a closing of doors and even of ears," complains Mrs de St Jorre.

"We get relatively limited financial benefits, because we are either told that we are too rich, or that we are too economically fragile," says Mr Bertrand Rassool, director-general for planning and economic Co-operation.

Mrs de St Jorre plans to start knocking on doors again, armed with the Security Council statement.

A meeting with donors under the auspices of the World Bank in Paris last week to discuss the environmental management plan of the Seychelles suggests that some countries may take notice.

The 10-year plan proposes a $55m package of projects, ranging from the elaboration of emergency procedures to cope with oil slicks or forest fires – like the blaze that ravaged the Coco de Mer trees on the island of Praslin last year to new legislation to protect endangered sea turtles.

Donor countries at the meeting pledged $40m towards the plan, much more than the Seychelles government had anticipated in current circumstances, with the possibility of obtaining more aid over the duration of the plan.

These pledges will enable the Seychelles to make some development choices which may be less profitable in the short term, but which will favour the island environment – classified by Unesco as part of the world's heritage.

This can mean, on the one hand, using more expensive techniques such as advanced anti-silting measures in the islands' water projects; or it may mean voluntarily limiting development, as the Seychelles have chosen to do with a self-imposed ceiling of 4,000 hotel beds, giving a capacity for 120,000 tourists a year.

"You only have to look at Honolulu, or the Costa Brava, or parts of the coast of Barbados to see what not to do in development," comments Mrs de St Jorre.

The Seychelles are now hoping that, with a little help, they can avoid this sort of overdevelopment and preserve their unspoilt beauty for future generations.

South Australia sets up inquiry into bad debts of state bank

By Kevin Brown

THE SOUTH Australian state government yesterday set up an inquiry into how the State Bank of South Australia (SBSA) accumulated bad debts estimated at A$1bn ($700m), apparently without being aware of the size of the problem.

The government said Mr Ken McPherson, the state's auditor-general, would investigate whether the bank's decision-making processes and auditing procedures were adequate, and whether officials made proper reports.

The inquiry follows the resignation of Mr Tim Marcus Clark, chief executive, in the wake of a A$970m rescue package for the bank announced by the government on Sunday.

Mr John Bannon, the state premier and treasurer said he was unaware of the scale of the bank's problems until they were detailed in January in a report by J.P. Morgan, the US investment bank.

The SBSA had been expected to experience a run on funds yesterday, but only a few customers were waiting at the bank's main Adelaide branches when they opened for business. Mr Stephen Paddison, the new chief executive, said withdrawals were only slightly higher than usual.

However, Australian Ratings, the credit-watch agency, said it had placed the bank and other South Australian government instrumentalities on "rating watch negative", a move which normally precedes a downgrading.

Mr David Simmons, SBSA chairman, said that the bank would have recorded a loss of A$412m for the six months to December 31, instead of a net profit of A$20m, without the A$970m government rescue package.

The balance of the package has been placed in a special account to be drawn down as further bad debts are written off, he said.

● United Bank, the New Zealand subsidiary of the South Australian state bank group, yesterday announced a maiden profit of NZ$13.9m ($8m) – only hours after the South Australian government announced the rescue package for its parent, Terry Hall writes from Wellington.

The rescue package will probably allow the bank to report a small profit for the full year to June 30.

The bank's performance was described as "inexcusable" by Mr Paul Keating, the federal treasurer. Mr Keating said it would teach every state treasurer "that they must know what is happening within the books of these banks."

The SBSA loss follows earlier losses by state banks in Victoria, Western Australia and Tasmania. Plans to establish a state bank in Queensland have been dropped because of the string of poor results.

Mozambican rebels step up attacks

AT LEAST 34 people have been killed and 30 injured in attacks by Mozambican rebels in the last five days, Noticias, the official Maputo daily reported yesterday, Reuter reports from Maputo.

The newspaper said 15 people died and 18 others were wounded when Mozambique National Resistance rebels attacked a crowded restaurant at Chinonanquila, 10 miles south west of Maputo city, on Saturday night.

It said the rebels, fighting a 15-year bush war to topple the government, shot dead 19 people and injured nine others in an attack on a trade convoy last Thursday. The attack took place in Tete province in the north west of Mozambique on the road linking Malawi with Zimbabwe.

The "Tete corridor", a vital trade route for Malawi, was reopened two weeks ago.

Reshuffle in Malaysian government

By Lim Siong Hoon in Kuala Lumpur

DR Mahathir Mohamad, the Malaysian prime minister, has reshuffled his cabinet with new appointments to three of the most important portfolios: education, finance and foreign affairs.

The reshuffle heralds significant changes within his party, the United Malays National Organisation, and his government since last October's general election. However, there are few indications yet of national policy shifts.

Dr Mahathir used the reshuffle to signal the full rehabilitation of Mr Abdullah Ahmad Badawi, once a senior party and government colleague. Along with several others, he was dismissed four years ago after bitter internal party disputes.

Mr Ahmad Badawi has become the new foreign minister, succeeding Mr Hassan Omar who takes over the portfolio of domestic trade and consumer affairs.

Mr Ahmad Badawi now ranks fourth in the hierarchy. One notch ahead of him is Mr Anwar Ibrahim who takes over from Mr Daim Zainuddin, the finance minister. Mr Daim is to retire. Mr Anwar is tipped as Dr Mahathir's eventual successor.

A former teacher in an Islamic organisation, Mr Anwar was recruited 10 years ago by Dr Mahathir to help strengthen the party's religious credentials. As education minister he has oriented the educational system towards Islam.

Taking over Mr Anwar's education portfolio will be Mr Sulaiman Daud who had served in the position from 1981 to 1984.

NEWS IN BRIEF

Britain accused of collusion with China

Hong Kong journalists yesterday accused the British colonial government of colluding with Peking to curb press freedom before the territory is handed back to China in 1997, Reuter reports from Hong Kong.

The accusation was contained in a letter protesting against Peking's decision to ban journalists from talks this month on a planned multi-billion dollar port and airport project which has soured relations between London and Beijing.

Peking maintains that an estimated cost of HK$127 bn ($16.2 bn) for the port and airport project is too high.

Trial of former president postponed

The trial of former Bangladeshi president Hossain Mohammad Ershad was postponed yesterday after the High Court asked the government to show why he should not be exempted from charges of possessing unlicensed weapons, Reuter reports from Dhaka.

The prosecution's case is based on the seizure by police of 15 guns, some of them unlicensed, from Mr Ershad's house in Dhaka's military garrison area after he left office on December 6 following a campaign to oust him by politicians and students.

Ershad filed a writ last week challenging his detention at a private villa since December 12. Police said detention was needed to protect him from public anger.

Date set for multi-party Nepal poll

Nepal's first multi-party general elections in 30 years will be held on May 12, chief election commissioner Mr Surya Prasad Shrestha said yesterday, Reuter reports from Kathmandu. Mr Shrestha told reporters 10.7m people were eligible to vote in elections for the lower house of parliament, the first to take place under a constitution promulgated last November.

Sanctions end Shell contract

Mr Jim Florio, governor of New Jersey, announced that the state would not renew a contract with Shell to supply petrol stations on some of its main roads, Deborah Hargreaves reports. The governor said the contract, worth some $50m a year, will lapse because of Shell's continuing involvement in South Africa.

Mr Florio said he recognised the changes and progress that are occuring in South Africa, "sanctions are working. Victory is in sight. And now is no time to let up." Shell's contract is to supply petrol stations on the New Jersey turnpike.

Sikh militants urged to join talks

Mr Simranjit Singh Mann, the leader of Akali Dal, India's main Sikh political party, yesterday urged militants in the troubled state of Punjab to accept an offer of talks by Mr Chandra Shekhar, the prime minister, Indian news agencies reported.

Thais face a rising tide of pollution

Paul Taylor reports that a tradition of neglect may be changing

IN BANGKOK traffic policemen increasingly wear anti-pollution face masks, some handed out by local MPs. In Pattaya, one of Thailand's prime tourist resorts, hoteliers bemoan the "bad-publicity" that dirty beaches and water pollution have wrought upon their trade.

The coral reefs, and their aquatic occupants, that once surrounded most of Thailand's offshore islands are being slowly killed by pollution and unscrupulous divers, mango swamps are being destroyed to make way for prawn farms.

Aside from eels there is little life in the polluted klongs of east Bangkok. Blood/lead levels in many of Bangkok's numerous street sellers are up to three times internationally accepted standards.

At a rough estimate, two out of every three of the section front page articles in both English language newspapers in Bangkok feature environmental issues – a sign that Thai indifference to such problems is slowly changing.

A special supplement in the English language Nation newspaper a few months ago paid tribute to Seub Nakhasathien, chief forester of one of Thailand's few remaining forest reserves, who last September committed suicide in what the newspaper described as "a last desperate shout for the plight of this country's dwindling forests and wildlife". By some estimates, logging has reduced Thailand's forest area from 53 per cent in 1961 to just 28 per cent today.

The government also shows signs of becoming more serious about environmental issues after years of neglect, according to an item in the latest weekly report by W I Carr's Thailand research department.

Last week the Mr Pramual Sabhavasu, Thailand's industry minister proposed that it undertake a long delayed project to build four sewage and waste disposal plants in the Bangkok suburbs – after years of stalled negotiations with a private Thai consortium.

The ministerial plan would involve building three sewage plants and one toxic waste plant in Bangkok's mushrooming industrial suburbs. If approved, it is likely the ministry would build the plants with World Bank funds and then allow private contractors to operate them on a concession basis.

As W I Carr notes there should be no shortage of customers. According to a 1989 study Thailand produced 1.15m tons of hazardous waste in 1986 – mostly heavy metal sludge and solids – and this is projected to increase to just under 2m tons this year. By 1996 hazardous waste output is projected to reach 3.46m tons rising to 5.99m tons by the year 2001.

The increase in hazardous waste largely reflects Thailand's economic success, particularly the growth of industries such as electroplating, electronics, textile dying, metal smelting, pharmaceutical drugs and chemical production.

The industry minister, echoing the sentiments of local think tanks such as the Thailand Development and Research Institute and the National Economic and Social Development Board said, "environmental protection tops this government's policy agenda". He also quoted Mr Chatichai Choonhaven, the prime minister, as saying that it was time Thailand began to enforce the environmental regulations it has on industrial pollution.

One enforcement problem Thailand has suffered to date is overlapping responsibilities and agencies. One possibility apparently under study by the Industry Ministry is to revive a National Environment Board plan for a national hazardous wastes management scheme costing 1.8bn Baht (£37.5m) over 15 years.

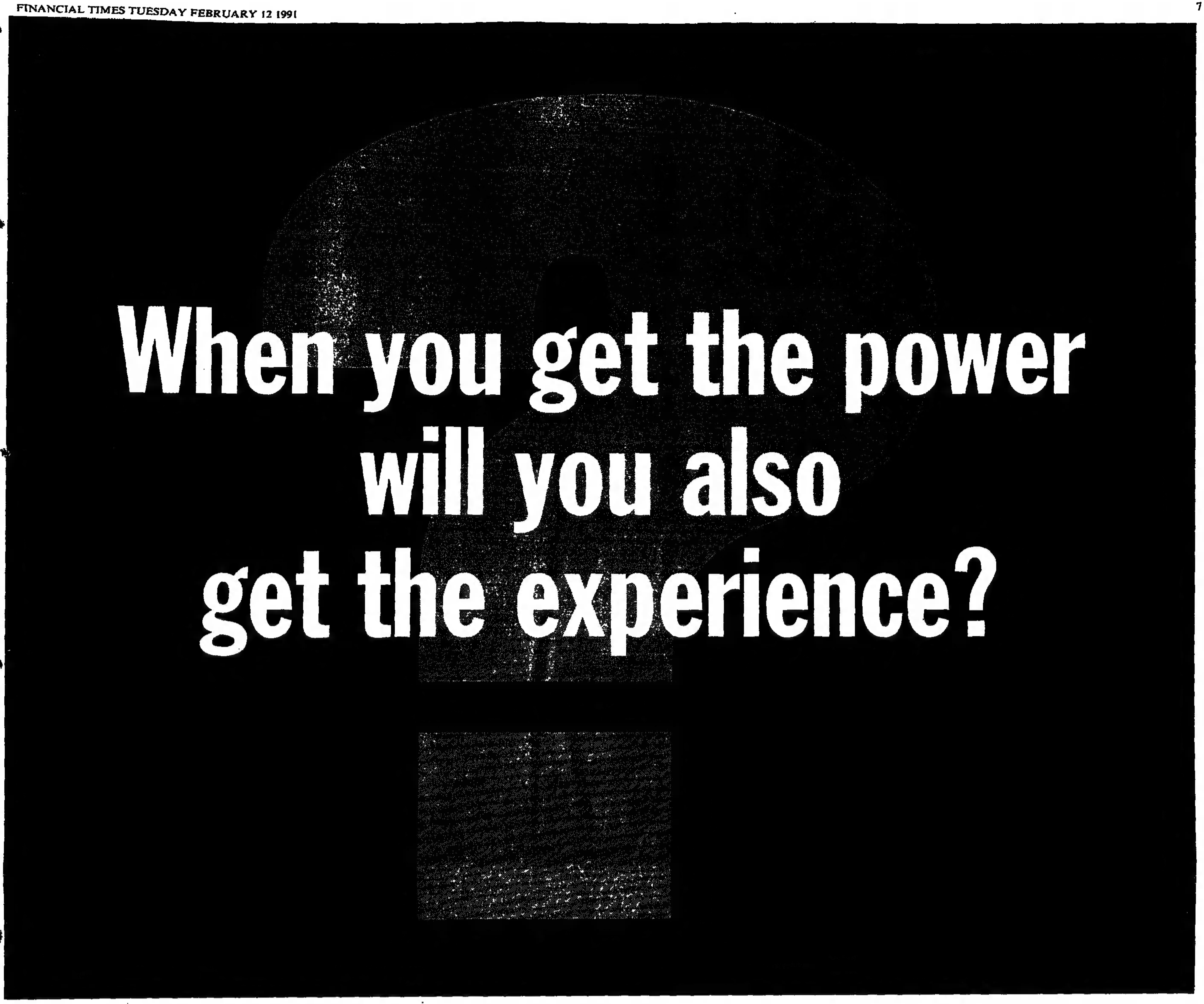
A five-year master plan for the protection of natural resources, including the preservation of mangrove forests and coral reefs, costing 14.2bn Baht, has also been considered.

The government has asked oil companies to half the sulphur content in diesel oil and the petrol lead level from September 1992. The oil companies, most of which say they could do this even sooner, argue they should be compensated, through lower taxation, for the cost involved.

The government controlled Tourism Authority of Thailand – which has always paid lip-service to environmental issues, has recently begun stressing how much effort, and hard cash, is being put into cleaning up some of Thailand's more polluted beaches.

Some see a possible early election as the driving force behind attempts to present a greener image. Others argue that if Thailand is to maintain its main foreign exchange earner – tourism – the government has no choice but to clean up its environmental act.

Continued on Page 21



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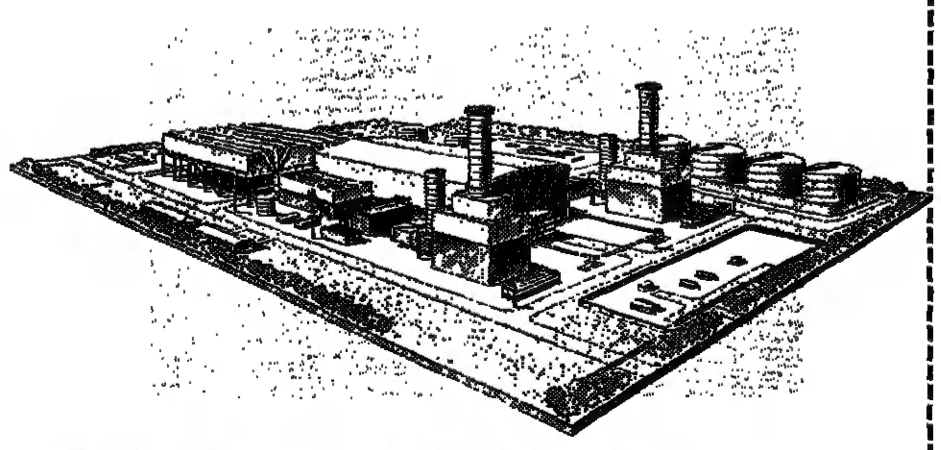

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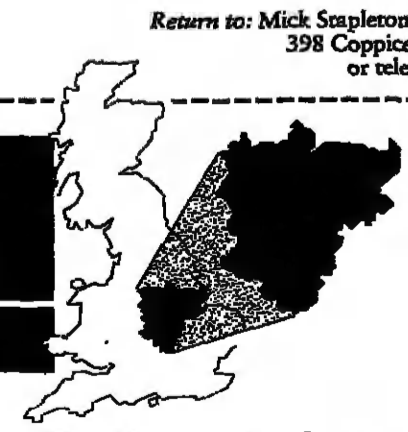


EAST MIDLANDS ELECTRICITY plc

(Continued on the following page.)

UK NEWS

SIB rejects Fimbra fear of insolvency

By Richard Waters

SIR David Walker, chairman of the London Securities and Investments Board, yesterday gave short shrift to calls from Fimbra, the troubled investment watchdog, for an overhaul of the regulatory system set up under the 1986 Financial Services Act.

Fimbra warned last week that the costs of regulation and compensation claims against its members could lead indirectly to it becoming insolvent, and called for a restructuring of the system to put the investment regulator on a firmer financial footing.

The Fimbra warning came in a confidential letter, subsequently leaked, to Mr John Redwood, minister of corporate affairs at the Department of Trade and Industry. Mr Redwood has made clear that he believes the problem is one for SIB to solve, not his department.

Throwing the issue back at Fimbra yesterday, SIB said there was no indication that the body's 6,500 members were suffering any more than other financial services companies at present. This meant that there could be no question of Fimbra members being bailed out in the face of compensation claims which this year are expected to top £10m.

US airlines raise Heathrow stakes

By Paul Betts, Aerospace Correspondent

INTERNATIONAL airlines are stepping up pressure on Mr Malcolm Rifkind, the UK transport secretary, to allow new airlines to operate from London's Heathrow airport.

United Airlines, the US carrier which has agreed to acquire Pan American's Heathrow routes for $290m, warned yesterday that US authorities may consider taking retaliatory measures against the UK if its deal to take over Pan Am's London routes was not approved by Britain.

Senior United officials said yesterday time was running out and Pan American risked going out of business unless it could complete its London route transfer deal with United by March 8.

Pan Am is due to repay a $150m loan extended by Bankers Trust by that date. Mr Lawrence Nagin, a United senior vice president, said yesterday his airline would not complete the route transfer deal with Pan Am unless it received clearance from the UK authorities.

American Airlines is also seeking UK approval for its plan to acquire for $445m the Heathrow rights of Trans World Airlines, another financially strapped US carrier.

Mr Nagin said yesterday the US had tabled "trailblazing proposals" to the UK government in an effort to revise the existing air service agreement between the two countries.

United and American: hoping to become a familiar sight at Heathrow

These included the possibility for an additional UK carrier to fly US routes from Heathrow; additional opportunities for two UK carriers to serve US destinations; and a range of opportunites to give UK carrier access to the US market.

But he said the US had rejected UK proposals to fix capacity constraints on US carriers flying into Heathrow as well as eliminating current US flight rights from Heathrow to other European destinations.

But UK officials said yesterday that the British government had offered to reopen talks with the US on the Heathrow issue after the latest round of bilateral negotiations broke down two weeks ago.

But Mr Rifkind still has to decide on the modification of the existing London air traffic distribution rules before new airlines can operate into Heathrow airport. The current rules ban all carriers which have not served Heathrow before 1977 from using London's leading airport.

The Civil Aviation Authority recommended last month the scrapping of the existing London rules. But Mr Rifkind has faced a chorus of protest from UK regional authorities and smaller regional airlines, fellow Conservative members of parliament, and British Airways, the dominant carrier at Heathrow, to reject the CAA recommendations.

EUROPE IN BRIEF

Report on Rover will prompt row

A damning report on government handling of the Rover car group sale three years ago has split Conservative MPs on the Commons' Trade and Industry Committee and is expected to spark a public row.

At least two Tory members of the cross-party committee will distance themselves from the investigation into the Rover sale to British Aerospace due to be published next week.

The row has been triggered by the report's bitter criticism of Lord Young, trade and industry secretary at the time of the sale. He is expected to be attacked for failing to give MPs a clear account of the sale in which BAe bought Rover for £150m.

The report, which took more than two years to compile, focuses on the controversial £44m in "sweeteners" given by the government to BAe as part of the deal.

Companies leave central London

A record number of companies moved out of central London last year, according to a report by Jones Lang Wootton, chartered surveyors.

Thirty-four organisations decentralised during 1990 and at least 48 plan to do so during 1991 and 1992. There was an 80 per cent increase in the number of jobs being relocated during 1990 to 11,380, a figure expected to rise to 14,558 this year.

Property costs were cited by over half the organisations as the main reason for moving.

VW dealer calls in receiver

Smithfield Monarch Group, the busiest Volkswagen and Audi dealership in the UK, has called in Mr John Wheatley, corporate recovery partner of KPMG Peat Marwick McLintock in Birmingham as receiver.

It collapsed with debts of £12m to banks and finance houses. Up to 200 people could lose their jobs unless the group can be sold as a going concern.

Volkswagen Audi Group said: "Our concern is to keep it trading so there will be the least disruption to customers." Mr Wheatley said he was already being contacted by prospective buyers.

Socgen Lease changes tack

Socgen Lease, the UK leasing subsidiary of French bank Société Générale, is to redirect its business towards the upper segment of the market.

This will involve the transfer of the company's UK headquarters from Milton Keynes to London and the closure of six regional offices with the loss of several jobs. The company said the action was a response "to the prevailing situation in the UK equipment leasing market".

Unions try to avoid Gulf split

Trade union executives are applying pressure on their representatives in the Scottish Labour party to halt calls for an immediate ceasefire in the Gulf.

The efforts are aimed at averting an embarrassing rift with the party's national executive when Labour's Scottish conference opens at the beginning of next month.

On Saturday, a meeting of the Scottish party's executive committee toned down a resolution demanding an "immediate ceasefire" in the Gulf. In a compromise, it called for the UN to initiate a diplomatic drive "with a view to achieving the earliest possible ceasefire".

British Rail earns respite

The government may relax pressure on British Rail to break even on its Network SouthEast operations, which would involve subsidising services for longer than planned, according to Mr Roger Freeman, a junior transport minister.

The government's plan to phase out all revenue subsidy to Network SouthEast by 1992/93 was a "target, not an obligation", he told the parliament.

British Rail is experiencing a revenue shortfall in the recession with less income from passengers than forecast and lower receipts from property sales.

London jobs in high demand

Job vacancies in London and the south-east are being chased by up to 30 unemployed people each, according to a survey of 60 travel-to-work areas compiled by the opposition Labour party.

In the first part of a nationwide study, Mr Tony Blair, the Labour employment spokesman, said that in London there were 30 claimants for each unfilled vacancy. In East Anglia the ratio was 16, dropping to 11 in the south-east outside London.

One of the intentions of Labour's study is to indicate that the government cannot point to growing numbers of job vacancies in an effort to lessen the political effects of unemployment.

Nuclear energy plan urged

Britain needs a long-term energy policy, whose cornerstone should be the expansion of nuclear power, according to Mr James Hann, chairman of Scottish Nuclear.

Hann: seeking long-term energy policy

"My feeling is there is no such policy – not even one in the course of preparation," said Mr Hann. Mr Hann, who was formerly involved in the offshore oilfield supply industry, said: "Energy really is different – so different that in my personal opinion its provision and distribution should not be left to market forces alone."

Welsh language proposals

A proposal to remove Welsh from the provisions of the 1976 Race Relations Act has been made by the Welsh Language Board, which was set up by the government two years ago.

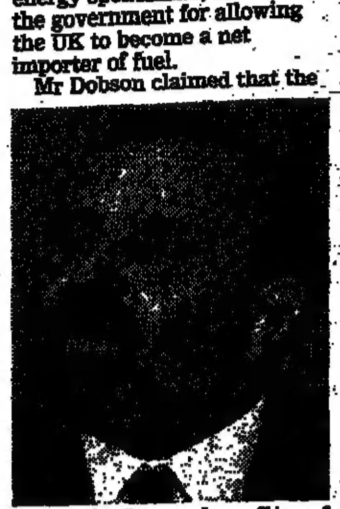
The board has published recommendations aimed at improving the 1967 Welsh Language Act, which gave legal protection to the use of Welsh within Wales.

The effects of the Race Relations Act include barring local authorities from advertising for jobs solely in Welsh.

Official fuel policy attacked

Mr Frank Dobson, the opposition Labour party's energy spokesman, criticised the government for allowing the UK to become a net importer of fuel.

Mr Dobson claimed that the benefits of North Sea oil were being frittered away by a government that had failed to invest in energy efficiency and conservation.



Frank Dobson: benefits of N Sea oil frittered away

Oil imports jumped to 116m tonnes last year – the highest level since 1979 – from 99m tonnes the year before, according to Mr Dobson.

Tories consider national lottery

Plans for a nationwide lottery to raise more than £1bn a year for the arts and for sport are under active consideration for inclusion in the Conservative party's election manifesto.

Mr John Major, the prime minister, is understood to have removed the veto on a government-sponsored lottery imposed by his predecessor Mrs Margaret Thatcher. The idea has won enthusiastic backing among Conservative backbench MPs.

Mr Norman Lamont, the chancellor of the exchequer, also approves of the plan. His approval has raised hopes among some MPs that he will use his March budget to back the introduction of a lottery during the next parliament.

Job losses at department store

Lewis's, the department store chain which went into receivership last month with debts of around £50m, is to shed 350 jobs – 10 per cent of its workforce.

Mr Allan Griffiths, the administrative receiver from accounting firm Grant Thornton, said the job losses were regrettable.

However, they might help to secure the future of the remaining employees by making the company more attractive to potential buyers, he said.

Beer sales fall

UK beer production dropped by 0.6 per cent last year from 36.67m barrels to 36.45m, according to the Brewers' Society.

December production was 2.37m barrels, 5 per cent lower than the December of the previous year.

"The continuing squeeze on consumer spending and the recent bad weather are likely to hit retail sales in the first months of 1991," the Brewers' Society said.

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Rights Offer to Subscribe for Participatory Certificates with Warrants

Pursuant to the authority granted at the Ordinary General Meeting of 10th May, 1989 the Board of Managing Directors resolved to issue bearer participatory *certificates with option rights to subscribe for shares of Deutsche Bank AG (participatory certificates with warrants), for a total nominal amount of* DM 1,200,000,000.

The participatory certificates with warrants (hereinafter: "PCWs") will be offered for subscription to:

- the shareholders of Deutsche Bank AG — in the ratio of 1 for 42
- the holders of warrants from the 6¼% U.S. Dollar Bonds and 3¾% Deutsche Mark Bonds with Warrants of 1983/1991, issued by Deutsche Bank Luxembourg S.A. (formerly Deutsche Bank Compagnie Financière Luxembourg S.A.) — in the ratio of 1 for 42
- the holders of 4% Convertible Bonds of 1984 of Deutsche Bank AG — in the ratio (nominal amounts) of 1 for 10.5
- the holders of warrants from the 6¼% Deutsche Mark Bonds with Warrants of 1986/1996, 5% Deutsche Mark Bonds with Warrants of 1987/1993, 4¼% Swiss Franc Bonds with Warrants of 1987/1997, issued by Deutsche Bank Finance N.V., Curaçao, and assumed by Deutsche Finance (Netherlands) B.V., Amsterdam — in the ratio of 1 for 42

at the issue price of 120% per PCW of par value DM 1,000. Fractions of PCWs which are not required for subscriptions are removed from the subscription rights. The key terms of the PCWs are summarised as follows:

Denomination:	Bearer PCWs ranking pari passu with each other with par value DM 1,000 and DM 10,000. The PCWs represent creditor rights not equity rights, in particular they do not confer the right to attend, participate in or vote at *General Meetings of Deutsche Bank AG.*
Distribution:	Holders of PCWs receive an annual distribution of 9% of the nominal amount of the PCWs, prior to the dividend payment to the shareholders of Deutsche Bank AG. The distributions on the PCWs are limited in that no balance sheet loss may be caused by them. There is no claim to back payments. The PCWs are entitled to distributions from 6th March 1991, that is ranking for 299/360 distribution for the financial year 1991. The distribution for each year is payable in arrears on 30th June of the following year.
Taxation:	25% investment income tax (Kapitalertragsteuer) will be subtracted from the distributions before payment; no corporation tax (Körperschaftsteuer) credit is given. If the recipient of the distributions is domiciled in a country other than the Federal Republic of Germany, which has a double-taxation convention with the Federal Republic of Germany, and this agreement provides for a withholding tax rate lower than 25% for the respective income, said recipient may apply at the Bundesamt für Finanzen, Friedhofstrasse 1, D-5300, Bonn 3, for a refund of any tax withheld in excess of the amount stipulated in the agreement. Applications for refund should be filed on official forms no later than the end of the fourth year following the tax payment. Taxation in countries other than the Federal Republic of Germany, in particular the question of whether and to what extent a recipient of distributions can obtain a tax credit in his own country for the investment income tax withheld in the Federal Republic of Germany, is determined by the tax laws of the respective country. These statements as to taxation are based on the taxation law currently in force.
Life and Redemption:	The PCWs will mature at the end of the financial year 2002. Subject to the provisions regarding participation in losses, the PCWs will be redeemed at par. The amount to be repaid is due on 30th June 2003. The amount to be repaid will bear interest from the maturity date of the PCWs until the due date, in an amount corresponding to the distribution for the financial year 2002.
Call Right:	If a legal provision is enacted, amended or applied in the Federal Republic of Germany as a result of which Deutsche Bank AG became subject to municipal trade tax (Gewerbeertragsteuer) or to corporation tax on the distributions or as a result of which the amount of participatory-capital to be repaid can no longer be subtracted as debt in the calculation of the capital tax (Vermögensteuer) payable, Deutsche Bank AG may call the PCWs, on giving not less than 2 years' notice at the end of any financial year – but no earlier that 31st December 1996. The holders of PCWs have no right to call the PCWs.
Participation in Losses:	If a balance sheet loss is reported or if the share capital of Deutsche Bank AG is reduced to cover losses, the entitlement to repayment of each PCW-holder will be reduced. In case of a balance sheet loss the entitlement to repayment of each PCW-holder will be reduced proportionately to the reduction of equity including participatory-capital reported on the balance entitlement, which would result from the offsetting of the balance sheet loss. In case of a reduction of capital the entitlement to repayment will be reduced in the same proportion as the new capital is reduced in relation to the former capital of Deutsche Bank AG. Losses brought forward from previous years will not be considered in this context.
Subsequent Increase of Claims to Repayment:	If profits are made in financial years following a participation in losses by PCW-holders, the claims to repayment will be raised, out of such profits, up to the nominal value of the PCWs before such profits are appropriated – provided the statutory reserves have first been replenished as required by law. This obligation exists only during the life of the PCWs.
Subordination:	The claims from the PCWs rank after the claims of all other creditors of Deutsche Bank AG, which are not also subordinate claims. In case of the liquidation of Deutsche Bank AG the PCWs will be paid after all other creditors and before the shareholders; the PCWs do not entitle holders to a share of the assets remaining after liquidation.
Information pursuant to § 10 subparagraph 5 Sentence 4 German Banking Act:	Participation in losses cannot be altered after the fact; the subordination of the PCWs cannot be limited nor the life of the PCWs or the period of notice with respect to calls shortened; an early redemption payment is to be returned to Deutsche Bank AG, regardless of any agreements to the contrary.
Warrants:	Each PCW of par value DM 1,000 is accompanied by bearer warrants, entitling the bearer, in accordance with the Conditions of warrants, to subscribe for a total of two bearer shares of par value DM 50 each of Deutsche Bank AG. Each PCW of par value DM 10,000 is accompanied by bearer warrants entitling the bearer to subscribe for a total of 20 bearer shares of par value DM 50 each of Deutsche Bank AG. The warrants may be separated from the PCWs and transferred individually beginning on 6th March 1991; in case of such separation, all the warrants are to be separated from the respective PCW.
Subscription Right and Subscription Price:	The warrant-holders are entitled to subscribe for the number of shares shown on the warrants at the subscription price of DM 550 per share of par value DM 50. Shares acquired pursuant to the subscription right are entitled to dividends for the financial year in which the notice to exercise the subscription right becomes effective.
Subscription Period:	The subscription right may be exercised from 14th March 1991 through 30th June 1995 inclusive. The periods specified in § 2 of the Conditions of Warrants are excepted.
Exercise of the Subscription Right:	To exercise the subscription right the bearer of warrants shall file with Deutsche Bank Aktiengesellschaft, Frankfurt am Main, as Warrant Agent through any of the Receiving Agents, a written notice on a form available from any of the Receiving Agents, pay the subscription price and surrender the warrant, together with all receipts not yet called. This notice to exercise the subscription right shall be binding.
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The PCWs are represented, for the time being, by global certificates which will be deposited with the authorised depositary; the stock index number of the participatory certificates with warrants is 804 027. Subscribers for the PCWs will receive credits to safe custody accounts. No claims for delivery of definitive PCWs can be made prior to the date upon which the respective certificates have been prepared.

The PCWs are admitted to trading and official quotation on the Frankfurt Stock Exchange, the Warrants from the PCWs on all German stock exchanges. It is expected that official price quotation will begin on or about 14th March 1991.

The prospectus for the listing of the PCWs was published in full in the Börsen-Zeitung of 12th February 1991; printed copies of this prospectus may be obtained at the above-mentioned banks by persons to whom the offer for subscription of PCWs is made.

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Frankfurt am Main, 12th February 1991

The Board of Managing Directors

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UK NEWS

Prosecution claims illegal share plan was hatched to hide the failure of the record bid for Manpower, the US employment agency

Advisers concealed flop of £837m Blue Arrow rights issue

By Raymond Hughes, Law Courts Correspondent

ON September 28 1987, a group of London professional advisers conspired to conceal from the market the fact that the largest ever UK rights issue had been "an unmitigated flop", the Blue Arrow trial was told yesterday.

The failed transaction was the £837m rights issue by which Blue Arrow, the UK employment agency, was to take over Manpower, a US employment agency.

Mr Nicholas Purnell, QC, prosecuting for the Serious Fraud Office, said the transaction, during "heady days" in the City, had been expected to be a success, enhancing the reputations of those who planned it.

Instead it failed, with only a 38 per cent take-up by the closing time. The prosecution alleged that those who had been at the September 28 meeting, together with others who had helped to keep the failure secret, had entered into a dishonest agreement to rig the market, to hide away the consequences of the failure.

They had hidden away, in their own or associated companies, millions of shares and announced to the world that the issue had been a success.

"They took every step they needed to take to keep away from the market the fact that one fifth of the Blue Arrow shares were being held by those employed by Blue Arrow to bring the issue to the market." It had been a corporate fraud, Mr Purnell said, because the companies employing the conspirators had the resources and reputations to enable the market to be deceived, while the conspirators came to the marketplace with the reputations of their companies giving weight to the decisions they took.

The 10 defendants have all denied a charge that, between September 27 1987 and December 20 1987, they conspired with others "to defraud such persons who had or might have had an interest in acquiring, disposing of, subscribing for, sub-underwriting or otherwise dealing in shares of Blue Arrow by dishonestly misleading the market."

The corporate defendants are County NatWest, NatWest Investment Bank and UBS Phillips & Drew Securities.

The defendants are: Mr Jonathan Cohen, deputy chief executive of NWIB and chief executive of CNW until his resignation in 1988; Mr Stephen Clark, group finance director of CNW; Mr David Reed, former executive director and managing director of corporate finance at CNW; Mr Nicholas Wells, former CNW executive director and a member of the corporate advisory department; Mr Alan Keat, a partner in City solicitors Travers Smith Braithwaite, who advised CNW on the issue; Mr Martin Gibbs, former director UBS Phillips & Drew; and Mr Christopher Stainforth, former director of UBS Phillips & Drew corporate finance.

Seeking acquittal: co-defendant Nicholas Wells, who denies all charges, arriving at court

Mr Purnell said: "They took secret decisions which created a false price for the shares and which meant that other persons who were trading in those shares did so over a period of months in ignorance of the true position."

Mr Purnell said the £837m rights issue was to enable Blue Arrow to takeover Manpower, which was twice its size. If the takeover could be achieved the combined companies would form the largest employment agency in the world and it had been with that aim in mind that Blue Arrow directors had sought to raise the money.

It had consulted its merchant bank and broker advisers who had come up with what had started out as an ambitious scheme but proved to be a failure.

A dishonest agreement had been reached to conceal the true position from the public, to present a false picture and to take whatever steps were necessary to maintain that false picture for such a period of time as would enable the conspirators to resolve the position so that no one should suspect what had taken place – and, perhaps, that a way would be found to make a financial profit for those engaged in the transaction.

"The prosecution's case is that when they set out to achieve that result there came a stage where they were confronted by clearcut alternatives: either to admit failure and accept whatever consequences that might have on their reputations, or alternatively to lie about it.

"They chose to lie about it, not to tell the truth, to cover up the fact that they had not told the truth, and to secretly acquire the shares themselves in order to produce an effect of success and cheat the marketplace into believing there had been a major success in this very significant transaction."

Mr Purnell said that the matter might never have come to light but for the stock market crash of October 19 1987.

Blue Arrow shares had been the second worst affected shares in the top 100 UK companies.

As a result the shares could not be sold by the conspirators at a profit or at cost and to have sold them at a huge loss would simply have produced yet a further collapse in the share price.

The result had been that by the end of 1987 the shares had still been hidden away in a bottom drawer in the merchant bank or in a secret cupboard in the brokers. Mr Purnell said the issue closed at 3pm on September 28 1987, at which time only a small circle of people had known only 38 per cent had been taken up, leaving a rump of shares which had to be disposed of.

The honest course, Mr Purnell said, would have been to have admitted that the issue had been a flop.

Instead there had been a criminal agreement to conceal the outcome, to falsify the figures and to use those falsified figures to place the shares.

A plan discussed before the issue had closed had been put into operation. That had involved parcelling up the unsold shares into artificial holdings below the size that would have to be disclosed and warehousing them – secreting them away until they could be dribbled on to the market without being noticed.

The trial continues today.

Concern at ISE as job cuts mount

By Richard Waters

A NEW round of senior staff cuts at London's International Stock Exchange in recent weeks has eaten further into the institution's management. The job losses have prompted concern among big customers about the effect on the running of the organisation.

The fears follow cuts of around 40 staff from the core trading markets division, which runs the exchange's markets.

The latest reductions have been prompted by the continuing drive of Mr Peter Rawlins, chief executive, to cut costs and reduce bureaucracy.

A layer of management has been cut from trading markets in the past fortnight. This has particularly affected the management of SEAQ International, the share price quotation system that supports the world's largest international equity market.

The effect of the cuts has prompted protests from customers. A London-based securities house said: "We [the market makers] are all very concerned. It suggests the people who run the exchange still haven't accepted that it is not a service bureau. It suggests the ISE is not committed to SEAQ International."

Hopes of interest rate cut subdued by rising factory prices

By Rachel Johnson

FACTORY GATE prices showed their biggest monthly increase in January for 10 years, damping hopes of interest rate cuts this week to soften the recession.

The rise of 1.2 per cent in the producer price index was twice as big as the City of London had expected. It took the annual rate of output price inflation to 6.3 per cent from 5.9 per cent, up to the levels of last May.

This unexpected evidence of inflationary pressures in industry helped subdue speculation of interest rate cuts to accompany the unemployment figures on Thursday or the retail prices index on Friday.

The government's priority is to keep sterling within its bands in the European exchange rate mechanism, and it has said frequently that interest rates can only be cut after inflation has fallen.

The disappointing producer price figures, published by the government, were greeted with alarm in the City. Mr Roger Bootle, economist at Greenwell Montagu, described them as "a substantial blow to the government's anti-inflation battle".

The Treasury acknowledged that the figures were disappointing, but said the government continued to expect sharp drops in inflation later in the year. It added that the provisional figures could suggest companies were passing on higher oil prices.

The jump in factory gate prices pushed sterling rates on the interbank market – in which banks lend to each other – around ⅛ a point higher to 13⅞-13¾ per cent.

The financial markets, however, continue to discount a cut in rates over the next few weeks. Along with a sharp rise in share prices on Wall Street, where the Dow Jones Industrial Average was up 32.18 to 2,862.87 at mid-session, this helped the FT-SE 100 share index rise 33.8 to 2,279.0. The pound shrugged off the news, weakening slightly to DM2.8875 against a previous close of DM2.8950.

There was a seasonally adjusted rise of 0.4 per cent in input prices of manufacturers' materials and fuel. The input price index fell by 2.3 per cent in the 12 months to January, after a fall of 3 per cent over the year to December.

London stocks, Page 35

UK motor industry faces dramatic fall in car sales

By John Griffiths

THE UK motor trade and industry is facing the alarming prospect that new car sales this year may be half-a-million fewer than just two years ago.

Such a drop in volume, which is equivalent to some 40 per cent of the UK's total car production last year, would be unprecedented.

But it is regarded as increasingly likely by the Retail Motor Industry Federation (RMIF), representing the UK's 7,500 franchised dealers, as a result of the 20.8 per cent fall in UK new car sales last month. This drop followed the biggest monthly fall ever recorded in December, when sales fell by 27.6 per cent, on a year-on-year basis.

The figures have prompted the RMIF to suggest that, in the absence of a sharp cut in interest rates and an early easing of the recession, sales may fall to between 1.75m and 1.8m this year. This compares with 2m in 1990 and a record 2.3m in 1989.

The Society of Motor Manufacturers and Traders, which issued the statistics, has revised downwards its own earlier forecasts to 1.85m.

The statistics were released in a week which saw another 1,230 job cuts announced in the UK motor industry.

UK NEW CAR REGISTRATIONS
January 1991

	Volume (Units)	Volume Change(%)	Share (%) Jan 91	Share (%) Jan 90
TOTAL MARKET	163,534	−20.77	100.00	100.00
UK produced	72,804	−14.83	44.52	41.41
Imports	90,730	−24.96	55.48	58.59
Japanese makes	16,275	−11.64	9.95	8.92
MANUFACTURERS:				
Ford group	37,664	−21.90	23.03	23.37
– Ford	36,858	−21.07	22.54	22.63
– Jaguar	806	−47.32	0.49	0.7·
General Motors	29,794	−19.42	18.21	17.9·.
– Vauxhall	28,590	−20.12	17.48	17.34
– Saab*	1,017	−9.92	0.62	0.55
– Lotus	187	+226.07	0.11	0.03
Rover**	25,192	−9.53	15.40	13.49
Peugeot group	17,939	−19.23	10.97	10.76
– Peugeot	11,752	−16.12	7.19	6.79
– Citroën	6,187	−24.54	3.78	3.97
Volkswagen group	11,548	−23.78	7.05	7.35
– Volkswagen	9,263	−19.26	5.66	5.56
– Audi	1,985	−27.42	1.21	1.33
– SEAT	300	−68.09	0.18	0.46
Nissan	7,238	−25.23	4.43	4.69
Renault	5,173	−39.57	3.16	4.15
Volvo	5,532	−32.11	3.38	3.95
Fiat group	3,810	−32.80	2.33	2.74
– Fiat	3,202	−36.35	1.96	2.44
– Lancia	230	−14.50	0.14	0.13
– Alfa Romeo	378	+6.18	0.23	0.17
Toyota	2,425	+22.78	1.48	0.96
BMW	3,838	−35.68	2.35	2.89
Honda	2,162	−7.96	1.32	1.14
Mercedes-Benz	2,966	−22.26	1.81	1.85

*GM holds 50% of Saab Automobile and has management control
**Honda holds a 20 per cent stake in Rover vehicle operations
***includes Range Rover

Source : Society of Motor Manufacturers and Traders

(Continued on the following page.)

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FT LAW REPORTS

Football transfer fee is taxed

SHILTON v WILMSHURST (HM [redacted] OF [redacted]
House of Lords (Lord Bridge of *Harwich, Lord Brandon of Oakbrook*, Lord Templeman, Lord Ackner [redacted] Lord [redacted] of Chieveley):
February 7 [redacted]

A FEE paid by a football club to a footballer to induce him [redacted] the *employment* of [redacted] club, [redacted] an emolument "from" that employment, though [redacted] transferring [redacted] no [redacted] in his performance [redacted] employment contract, in [redacted] is [redacted] "from being [redacted] becoming [redacted] employee", and [redacted] not [redacted] *something* [redacted]

The [redacted] Lords so [redacted] when allowing [redacted] appeal by the Inland Revenue [redacted] Court of Appeal [redacted] footballer, Mr Peter Shilton, [redacted] wrongly [redacted] transfer fee.

Lord Templeman [redacted] in August [redacted] transferred from Nottingham Forest [redacted] Southampton.

There [redacted] three parts [redacted] transfer. Nottingham Forest agreed with Southampton [redacted] transfer Mr Shilton for [redacted] of £325,000. Nottingham Forest agreed with Mr Shilton [redacted] pay him [redacted] agreed [redacted] transferred [redacted] Southampton. Mr [redacted] agreed [redacted] *ampton that* [redacted] *play for* Southampton for four [redacted] agreed [redacted] to salary, if Southampton [redacted] him [redacted]

The Revenue [redacted] £75,000 and [redacted] to income [redacted] under section 181(1) [redacted] Income [redacted] Corporation [redacted] Act [redacted] agreed the [redacted] far [redacted] it applied [redacted] the [redacted] disputed it [redacted] far [redacted] it applied to the £75,000.

Section 181, as amended by section 19 of [redacted] Income [redacted] Corporation Taxes Act 1988, provided that [redacted] was chargeable [redacted] "in respect of [redacted] or employment [redacted] emoluments therefrom".

The commissioners held that the payment by Nottingham [redacted] was [redacted] "inducement" [redacted] him to play [redacted] Southampton, [redacted] such was an emolument flowing from the service he [redacted] to [redacted] der to Southampton.

Mr Justice Morritt allowed an appeal by Mr Shilton on the ground that the £75,000 paid by Nottingham Forest was an emolument "for", but not "from" his employment with *Southampton*, and [redacted] an emolument paid to an employee by [redacted] third party, [redacted] other than the employer, [redacted] only an emolument "from" [redacted] employer's employment [redacted] the third party had some interest in the per[redacted] by the employee.

Nottingham Forest had no interest in Mr Shilton's perfor[redacted] *of* his contract with Southampton. Once [redacted] had been transferred it did not matter to Nottingham [redacted] whether [redacted] fulfilled [redacted] obligations.

The [redacted] Appeal upheld [redacted] held that to be chargeable [redacted] 181(1) an emolu[redacted] must be [redacted] to per[redacted] of services by [redacted] employee under his contract of employment. [redacted] 181 [redacted] from the employer", but embraced all "emoluments from employment". The [redacted] tion must [redacted] compre[redacted] *provided* by [redacted] third party, a person who was not the employer.

Nor was the section limited [redacted] provided in [redacted] employment.

It [redacted] apply first, [redacted] emolument paid [redacted] reward for past services and as [redacted] perform services; [redacted] to an emolument paid as an [redacted] a [redacted] tract [redacted] employment [redacted] perform [redacted] in [redacted]

[redacted] result was [redacted] an [redacted] "from employment" meant [redacted] *emolument* "from being or becoming an employee". The authorities [redacted] with [redacted] analysis [redacted] to [redacted] tinguish in [redacted] case [redacted] being [redacted] becoming an employee", and [redacted] emolument attributable to something else, for example to a desire on the part [redacted] the provider of [redacted] to [redacted]

If [redacted] emolument was not [redacted] *a* [redacted] *for past* [redacted] vices or [redacted] an inducement to provide [redacted] services, but [redacted] paid [redacted] other [redacted] the emolument [redacted] "from [redacted] employment".

The *£75,000 paid by* [redacted] ham Forest [redacted] inducement [redacted] Mr Shilton [redacted] enter into a contract of employment under [redacted] he [redacted] perform [redacted] vices for Southampton for the *next four years*.

Unless Nottingham Forest [redacted] Southampton induced Mr Shilton to enter Southampton's employment, the £325,000 [redacted] not [redacted] paid by Southampton to Nottingham [redacted] Nottingham Forest [redacted] *a powerful* motive for [redacted] an *inducement* to Mr Shilton to become a Southampton *employee*.

That motive did not alter the [redacted] that [redacted] paid by Nottingham Forest was an emolument "from employment", because it was an emolument "from becoming an employee", *indistinguishable* from the £80,000 paid by South*ampton for the* like purpose.

Mr Thornhill for Mr Shilton argued that for the purposes of section 181 an emolument must be "for" employment and not merely "from" employment.

If the argument were correct no emolument provided by a third party would be taxable under section 181.

The courts below said the third party must have an interest in performance of the contract. They relied on *Pritchard v Arundale (1971) 47 TC 680,689* where Mr Justice Megarry said that on the language of the [redacted] *payment* [redacted] emolument "from" the employment. He [redacted] "I do not think 'from' means 'for'. In other words the payment must be made in reference *to* the services rendered . . . and as a reward for them, and so in that sense flow 'from' the office or employment".

That passage was unnecessary to the decision because in *Pritchard the emolument did* not arise from employment but from something else, namely as compensation for giving up an established position.

In the present case, Mr Justice Morritt, applying that passage, said a *payment* by a *third* party might be an emolument "where the payer has an interest . . . in the performance of the contract of employment".

Lord [redacted] Staughton said the distinction [redacted] *appoin*[redacted] and [redacted], [redacted] becoming [redacted] remaining an employee, might be of no con[redacted] pay[redacted] by [redacted] third party "if he is [redacted] in [redacted] to [redacted] performed".

There was nothing in section 181 for the [redacted] justify the inference that an "emolument [redacted] employment" only applied to an emolument provided [redacted] person who had an interest in the employee's performance under the contract [redacted] employment.

If section 181 *applied only to* an emolument provided by [redacted] *employer or third party* who had an interest in performance [redacted] *the* contract of service, there were difficulties in defining the "interest" which made the employee liable to tax.

Mr Thornhill suggested that if the £75,000 had been paid by a shareholder in Southampton Football Club interested in dividends and capital value of shar[redacted] then it might [redacted] been an emolument from employm[redacted] But, he said, as the £75,000 was provided by Nottingham Forest which [redacted] only interested in the £325,000 payable if Mr Shilton agreed to play for Southampton, section 181 did not apply.

The preferable view was that an emolumen[redacted] fro[redacted] employment if it was provided as [redacted] reward or inducement for the employee [redacted] remain or become an employee, and not for something else.

There was nothing in the 1970 Act which suggested the gloss which the courts below had put on the statute.

Both Southampton and Nottingham Forest were interested in Mr Shilton's becoming a Southampton employee. The emoluments of £80,000 and £75,000 were both paid to him for the same purpose and had the same effect, namely as an *inducement to him to become a* Southampton employee.

Performance of the contract of employment did not depend on either or both emoluments. Mr Shilton played for Southampton because he had con*tracted to do so, not because he* had received emoluments. Emoluments amounting to £155,000 might be expected to inspire him to great achievements, but that inspiration [redacted] much from the £75,000 *provided by Nottingham Forest* as it came from the £80,000 provided by Southampton.

Indirectly the whole of the [redacted] could be said [redacted] have been provided by Southampton. The signing-on fee was liable *to tax under* [redacted] 181. The appeal [redacted] The commissioners' [redacted] was restored.

For the [redacted] *Moses QC* [redacted]*).*
For [redacted] *Shilton: A Thornhill QC* [redacted] *D Ewart (Hempsons).*

Rachel Davies
Barrister

taxed

FREE CALLS FOR THE TROOPS

AN APPEAL TO BRITISH INDUSTRY ON BEHALF OF THE BRITISH TROOPS IN THE GULF

Dear Colleague,

I have been considering how we in British industry can help our Forces in the Gulf at this difficult time. One way is to help them keep in touch with home. A phone call can really boost morale. We can give our troops the means to make that call.

That is why Cable & Wireless' subsidiary, Mercury, has recently sent forty payphones for British Forces to use at bases in Saudi Arabia. Mercury are rushing a further 46 payphones to the Gulf. It will operate them on a non-profit basis.

British Aerospace, National Westminster Bank and Cable & Wireless have joined together to contribute £1 million to purchase 100,000 Mercurycards for the Ministry of Defence to distribute to British personnel in the Gulf.

I want to take the initiative a step further, which is why I am now appealing for other British companies to join us in providing this help for our troops. A minimum contribution of £10,000 will buy 1,000 cards. Each card will pay for two or three short calls or for an eight-minute call home.

If you want to contribute, please telephone 0800 300 777 for further information. If your company wishes its name to appear on the cards, this can be arranged. We are making arrangements with Forces charities for gifts to be treated as charitable donations. When the crisis is over, any surplus funds will be donated to the Gulf Trust.

I hope you will join us to help maintain the important link between British Forces and their families.

Yours

David Young

LORD YOUNG OF GRAFFHAM

FOR FURTHER INFORMATION TELEPHONE 0800 300 777

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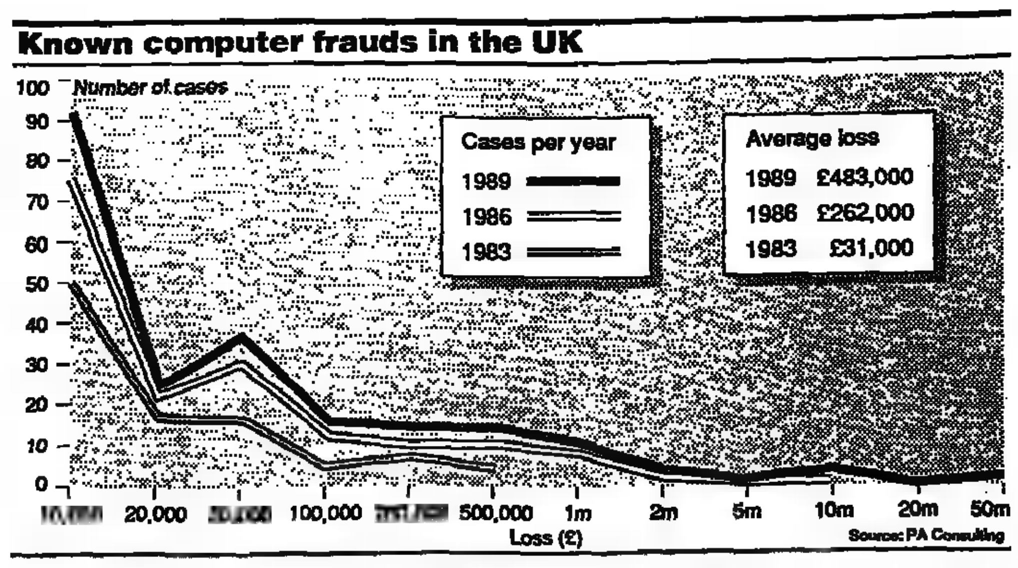
TECHNOLOGY

In a third article on data security, **Della Bradshaw** examines ways of combating computer crime

The fraud busters make their move



In October 1990 British Aerospace hit the headlines when two men appeared in a Bristol magistrates court charged with trying to defraud the company of £40m, in one of the largest attempted computer thefts reported in the UK.

Because many companies are too embarrassed to admit they have been victims of such crimes, their frequency is difficult to quantify. But with nearly [illegible] computer frauds reported in [illegible] in the UK alone, nobody doubts that such crimes are on the increase.

Whereas computer crimes in the past were largely the work of disgruntled employees, today the widespread use of computer systems in financial applications – payroll, funds transfer or bill payment – has offered organised crime a lucrative opportunity. As a result the traditional bank or security van robbery is being replaced by the split-second financial transaction of a computer system.

"It's the most sanitary way of robbing an organisation, without shedding blood," points out [illegible] Wong, [illegible] development director for security at PA Consulting. "It doesn't take too much to bribe a technical person to give them access to financial information – a nice sports car, say, or a woman."

Fraudsters are aided by modern computer architectures which enable company employees to use the main computer with terminals connected to it. The monolithic architecture of the old data processing centres, by comparison, meant far fewer employees could use the computer. It was far more difficult, therefore, for insiders to break in and alter the data.

Today's fraudulent attacks fall into two main types: single large-scale frauds, where millions of pounds are removed in one swoop; or what Donn Parker, [illegible] management consultant at SRI International, in California, calls "salami attacks" – where small amounts of money are sliced away over a period of time.

In "salami" crimes employees usually exploit the controls that have been built into the computer systems – often specifically to prevent fraud. One example cited by Parker involved a member of the payroll staff entering overtime payments to several employees. But while she entered the employees' names correctly – and it was the names that were used for checking payments – she entered her own employee number, so the money was paid into her bank account.

According to Parker, research at SRI, where [illegible] crime cases have been recorded and analysed over the past 20 years, shows that "salami attacks" are still more prevalent than large-scale frauds. But Wong believes that there is now a trend to larger one-off crimes, and points to the modern [illegible] of electronic funds transfer as the reason. With networks such as Chaps – the Clearing House Automated Payment System, the electronic credit transfer system for UK banks – once the transfer is made the payment is guaranteed. "Once the fraudulent transaction is discovered it is too late," says Wong.

Wong acknowledges that today most frauds are discovered by regular checks. Such was the case with the Hill Samuel bank in London, which in December 1988 was the victim of an attempted multi-million pound fraud in which the fraudsters tried to deposit money in several overseas bank accounts. Technically this was not a computer fraud, because the instructions were made manually rather than by computer, nevertheless it was Hill Samuel's electronic internal reconciliation system that spotted the payments before the funds could be withdrawn.

"At the moment detection techniques are fairly traditional," says Wong. "If [illegible] transactions are carried out then the same checks are carried out on all 200." But he believes that selective checking, using the latest expert systems, for example, could prove less expensive and equally effective.

In the case of a bank or credit card company, for example, the expert system would be programmed to know that a [illegible] transaction at Harrods would probably be genuine, whereas a transaction of the same amount from the local supermarket would not.

Barclaycard is already conducting trials of an expert system developed in conjunction with Touche Ross. Fed with information on [illegible] years of credit card fraud the software analyses transactions as they come into the main computer system and spots patterns of buying which indicate that the card may have been stolen.

If the system believes that the card is being used illegally, Barclaycard phones the card owner. In trials the company has found that the first many owners knew about the theft of the card is when they receive the phone call.

Other computer software developments are also taking account of the problems of fraud, says Clive Blatchford, a computer security specialist. Many are adaptions of techniques already used in military computing.

Computer maker ICL, for example, now offers a high-security version of its VME operating system for commercial use. This incorporates mandatory controls – files cannot be moved from one section of the computer to another, from payroll, say, to manufacturing.

Such security measures have now been adopted for the Unix operating system. The latest version of [illegible] – which interfaces between Unix and the applications software – has the capability to enforce these mandatory controls. Blatchford points to trade bodies, such as the European Computer Manufacturers' Association (Ecma), and to certain European government-backed bodies which are working on similar techniques. He admits, however, it will be [illegible] before any major changes will take place.

In the meantime, Parker believes companies can do three things to prevent fraud:

● Because defrauding a business involves getting funds out of the organisation, checks should be instigated at the periphery of the financial system, at all points where money leaves the company. That could be where the funds are transferred or where the company cheques are printed.

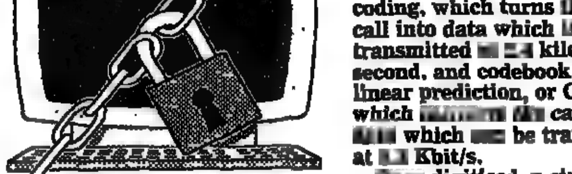
● Interviews with fraudsters indicate that they commit crimes because they have personal problems, not because they necessarily need the money. Employers, therefore, should be sympathetic their employees' problems.

● Many controls in computer systems rely on a set of established values: cash transfers, for example, may only be checked if they are above a certain limit. Because insiders can easily exploit these static controls, Parker recommends that they should be replaced by dynamic ones. "The computers should change the controls at unspecified times and in unspecified ways, so no human knows what controls are in place. If the values are constantly changing it increases the complexity of the crime immensely."

David Frost, a partner at Price Waterhouse, points out that would-be thieves often perform a test run to establish whether there are any controls in place. If there are, the fraudsters explain it away as a simple error or a program bug. Frost believes it is important for management to investigate such irregularities thoroughly.

The comforting news for companies is that while large one-off attempted frauds are on the increase, few have been pulled off successfully. Even those who have successfully transferred cash into overseas accounts have often been unable to clear the final hurdle – how to get it out of the bank without arousing suspicion.

The final article, on computer viruses, will appear next week. Other articles appeared on January 29 and February 5.



COMPUTER SECURITY

For [illegible] Needham, Northern Ireland under-secretary, the interception of his carphone conversation last November and the subsequent *publication* of the conversation in the press must have caused acute embarrassment. But for MPs and businessmen alike it was the security of their phone conversations which caused most concern.

One of the first to try to thwart eavesdroppers has been Edward Heath, the former Conservative prime minister. He has installed scrambling devices on his Motorola carphone and on phones in his office and home.

The relatively simple devices cost from £250 for each phone – both the caller and the receiver need to have installed the equipment. They ensure privacy rather than complete security, says Timothy Laing, managing director of Cairntech, of Inverkeithing, which installed the small printed circuit boards in Heath's phones.

The scrambler takes the analogue voice signal, splits it and inverts it. The device in the adapted receiving phone re-organises the incoming signals in the correct order.

A phone which is completely secure is more expensive – from about £2,500 for a desk phone and slightly more for an adapted mobile one. That is because "to make voice secure, you have to make it digital," says Laing.

The voice signal is digitised using a special coding *mechanism*. Two of the most popular are linear predictive coding, which turns the voice call into data which is transmitted at [illegible] kilobits a second, and codebook excited linear prediction, or Celp, which converts the call into data which can be transmitted at [illegible] Kbit/s.

Once digitised, a cipher algorithm is applied to the data. When the call reaches its destination, the reverse takes place. Similar devices can be used for ensuring the security of messages sent from fax machines, which also use the ordinary phone network.

These highly secure phones, from companies such as GEC-Plessey Crypto, of Liverpool, and the Italian company Telsy, of Turin, are proving popular in banks, financial institutions and large corporations, according to GEC-Plessey Crypto.

DB

Small firms need special attention

By Charles Batchelor

Government support for innovation is finally starting to take account of the real needs of Britain's small firms. Government rhetoric has made much of the importance of small businesses to the economy, but schemes to promote research and development have for too long assumed that the requirements of small firms are the same as those of large ones.

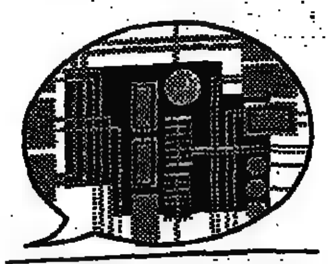
Public-sector programmes have therefore attempted to promote co-operation between one small firm and another and between small firms and academic institutions. They have also tended to focus on technologies still some distance from the market place. Yet small firms find it difficult to manage such collaboration agreements and they often cannot afford to take too long a view of the projects on which they are working.

The launch last week of SPUR (Support for Products Under Research) marked a further acknowledgement that small businesses need specially tailored programmes to meet their specific needs. SPUR funds will be made available for businesses employing up to 500 people and do not require recipients to collaborate with anybody.

The introduction of SPUR follows the success of SMART (Small Firms Merit Awards for Research and Technology), which is available to back innovation in firms with up to 50 employees. Demand for SMART has been running ahead of supply and is likely to continue despite the recent expansion of the programme.

But even with the introduction of SPUR and the expansion of SMART, large chunks of government money will continue to be devoted to collaborative programmes for companies of all sizes. About £50m of innovation support for collaborative programmes will be available from the Department of Trade and Industry this year with a similar amount coming to UK companies from European Commission programmes.

The need for sensibly targetted government programmes has become all the more pressing following the failure of the UK venture capital industry to provide significant backing for small, technology-based businesses. Seduced by the more attractive returns available from backing management buy-outs, UK venture capitalists invested just 12 per cent of their funds in technology ventures in 1989.



TECHNICALLY SPEAKING

This low figure does not reflect any lack of inventiveness on the part of the small companies themselves. One in three significant innovations in the UK originates in companies with fewer than 500 employees while American studies have shown that small businesses are more innovative than large companies.

But helping small businesses develop ideas and turn those ideas into marketable products requires more than just money. They need help to find their way through the innovation networks of patent agents and licensing consultants and better contacts with academic institutions (a problem which is recognised in a second stage of the SPUR programme to be announced shortly). Big business, too, needs to be more aware of the innovative potential of smaller firms.

For it is in converting their ideas into marketable products and these products into a viable business that small firms face their biggest challenge. Innovative British firms do not have the large, receptive home market of their US counterparts and must, at a very early stage, tackle international markets if they are to grow.

The new direction which is being taken by the latest government programmes is to be welcomed but the future progress of both its collaborative and non-collaborative programmes must be carefully monitored to ensure they continue to meet the real needs of small business.

Continued on Page 31

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BUSINESSES FOR SALE

Betta (Steels) Group of Companies

The Joint Administrative Receivers invite offers for the following businesses

Betta [redacted] Company Limited
- [redacted] stockholding and processing
- Annual turnover approximately £2m
- Large customer base, over 100 active accounts
- Operating from freehold premises at Cradley Heath, West Midlands
- Assets comprise freehold premises, two sites each in excess of 0.5 acres, plant, stock, etc.

Cartwright [redacted] (Engineers) Limited
- Drop forging
- Current turnover approximately £40,000 pm with scope for expansion
- Operating from freehold premises [redacted] Brierley Hill, West [redacted]
- Assets comprise freehold premises, one acre site, plant, stock, etc.

Euroclamps Limited
- [redacted] of construction [redacted] building components
- Annual turnover approximately £1.5m
- [redacted] Brierley Hill, [redacted]
- Assets comprise plant and machinery, stock of scaffolding components, etc.

For further details contact the Joint Administrative Receivers Ken Jones or Andrew Menzies

ROBSON RHODES

Centre City Tower, 7 Hill Street, Birmingham B5 4UU
Telephone: 021-643 1936. Fax: [redacted] 4893/7738
Authorised by the Institute of Chartered [redacted] in England and Wales to carry on investment business.

BUSINESSES FOR SALE

Tuesdays, Saturdays and now FRIDAYS

For further information please contact

Gavin Bishop on 071-873 4780 or Melanie Miles on 071-873 [redacted]

FINANCIAL TIMES

Touche Ross

Springfield Park Hotel
Kirkburton, Huddersfield, West Yorkshire

The Joint Administ[redacted] Receivers, Mr Gurpal S. Johal and Mr Ralph S. Preece, offer for sale the goodwill and assets of *Pencourt Developments Limited*, trading as Springfield Park Hotel.

The Freehold Hotel and Restaurant's main features are:

- ☐ Four Star Rating.
- ☐ 50 individually styled Ensuite Bedrooms, including a Penthouse Apartment, [redacted] Executive Suites and 5 Executive Rooms.
- ☐ [redacted] Function Suites, Lounges, Cocktail Bar and Dining Restaurant.
- ☐ Advanced bookings of approximately £150,000.
- ☐ Land and buildings to increase the Hotel to 100 bedrooms, plus further facilities.

In addition, an independent Italian Restaurant Business is also available for sale.

For further details, contact Mr Ted Wetton [redacted] alternatively the *Joint* Administrative Receivers, at the address below.

10-12 [redacted] Parade, Leeds LS1 2AJ.
Tel: 0532 439021 (Ext. 256). Fax: 0532 445580.

Member DRT International

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Cold Store Business.

The Joint Administrative Receivers offer for sale the business and [redacted] of the cold [redacted] division of Freight Services International Limited. Principal [redacted] include:

- *Freehold property comprising a cold store of 10,000 square feet on a 2.7 acre [redacted] Burwell, Cambridgeshire*
- *Additional planning permission for 7,500 square feet*
- *Cold store plant and equipment*

For further details contact the Joint Administrative Receiver, Jason Elles, Ernst [redacted] Young, Apex Plaza, Reading, Berkshire RG1 1YE. Tel: 0734 500611. Fax: 0734 507744.

ERNST & YOUNG

Authorised by The Institute of Chartered Accountants in England and Wales to carry on investment business.

UNDERWATER ACCOUSTICS

The Joint Administrative Receivers, E.F. Hunt and B. J. Hamblin, offer *for sale as* [redacted] going concern the business and assets of Mintec Systems [redacted]

Principal features comprise:
- Design and development of underwater accoustic systems.
- Specialists in interfacing analogue and digital systems.
- Established contacts with the Ministry of Defence and approved [redacted] the highest Ministry of Defence standards.
- Established team of highly skilled scientists, engineers and designers providing a unique service in problem solving ability.
- High technology, purpose built leasehold premises in Warwick.

For further information, please contact:

Roy Bailey or Steve Watson
Pannell Kerr Forster,
New Guild House, Queensway,
45 Great Charles Street, Birmingham [redacted]
Tel: [redacted] Fax: [redacted]

Authorised by [redacted] ICAEW to carry on investment business.

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Midlands

Property [redacted] in 6 [redacted] of wooded grounds.
58 en suite bedrooms. 64 [redacted] restaurant. Function and conference rooms. T/O around £1 million p.a.
Good adjusted [redacted] profits.
Offers for [redacted] majority shareholding in this [redacted] Company
Contact [redacted] Lunn [redacted] John Willmott, Birmingham Office, tel: [redacted] 2060. Quote ref 58/42151.

CHRISTIE & [redacted]
Businesses for Sale,
Corporate Acquisitions [redacted] Disposals,
Rating, Rent Reviews [redacted] Valuations
14 offices. Undertaking [redacted]

PELICAN HOUSEHOLD TEXTILES LIMITED
IN ADMINISTRATIVE RECEIVERSHIP

The joint administrative receivers offer for sale the business and [redacted] of the above company on a going concern basis.

The company's principal activity [redacted] the import and wholesale [redacted] children's household textiles.

- Turnover £640,[redacted]
- Freehold property of approx 7,000 sq. feet.
- Extensive product range.
- Blue chip customer base.

For further information please contact:
James Gleave or John Hall
Bank House
Charlotte Street
Manchester M1 4EU

Tel: 061-200 0297
Fax: 061-200 0343

ARTHUR ANDERSEN

WINSFORD TEXTILES CO LIMITED
SELBER PRODUCTS [redacted] AGENCIES LIMITED
BOTH IN ADMINISTRATIVE RECEIVERSHIP

The joint administrative receivers offer for sale [redacted] going concern basis [redacted] business [redacted] assets of a [redacted] established importer of children's clothes located in Manchester.

- 99 year lease [redacted] a modern 7,000 square foot building in Salford Quays, Manchester comprising warehouse and offices.
- Network of wholly owned foreign subsidiaries.
- Continuing order book supplying [redacted] chip retail [redacted] mail order companies.
- Substantial quantities of stock mainly committed to future orders.
- Various household trade names.

For further information please contact:
J J Gleave [redacted] Stanley
Arthur Andersen & Co.
Bank House
9 Charlotte [redacted]
Manchester M1 4EU
Tel: 061 [redacted] 0297
Fax: 061 200 0343

ARTHUR ANDERSEN

Specialist Engineering Company - Cumbria

[redacted] Administrative Receivers offer the [redacted] well established business for sale as a going concern.

- Approximate turnover £4.0M per annum with sound customer base
- Freehold factory premises in Barrow in Furness
- Highly skilled workforce
- *License to operate in Germany*
- Modern workshop and [redacted]

For further information write to Andrew Thompson, Joint Administrative Reciever.
KPMG Peat Marwick Corporate Recovery
Richmond House, 1 Rumford Place, Liverpool L3 9QY
[redacted] 051-236 [redacted] 051-236 [redacted]

KPMG Peat Marwick Corporate Recovery

[redacted] J Moore [redacted] E Klempka the Joint Administrative Receivers of

Fiesta Caravans Limited

The Joint Administrative Receivers offer for sale the business and assets of Fiesta Caravans Limited.
The company designs and manufactures a comprehensive range of mobile homes [redacted] leasehold premises in Hull.
Principal features include:
- Highly skilled workforce of 70 employees
- Full range of plant and machinery
- Substantial order book
- Approximate annual turnover of £5 million

All enquires should be addressed to M.J. Moore and E. Klempka, Joint Administrative Receivers, Cork Gully, Albion Court, 5 Albion [redacted] 6JP (Ref. MLH/JW) Tel [redacted] Fax (0532) 434569

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Cork Gully

W Boyden & Sons Limited

(In Receivership)

The business and assets of this vehicle dealer which at present trades from premises in Castle Donnington (Near East Midlands airport) are offered for sale.
Assets include:
- 2.47 [redacted]
- [redacted]
- Plant & equipment

For [redacted] please [redacted] Stephen J. Taylor or Jill Howsam, [redacted] Gully, [redacted] House, [redacted] Park Row, Nottingham, NG1 6FY. Telephone: 0602 470658 Fax: 0602 410192

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Cork Gully

Boyden International Coaches Limited

(In Receivership)

The business and assets of this long standing coach touring company which trades from premises in Castle Donnington (Near East Midlands airport) are [redacted] for sale.
The company specialises in tours of varying descriptions both home and in Europe.
[redacted] for sale include
- 3.65 Acre site
- Coaches
- Modern buildings, plant and equipment
- *Tour schedule*

For further information please contact Stephen J. Taylor or Jill Howsam of Cork [redacted], Cumberland House, 35 Park Row, Nottingham, NG1 6FY. Telephone [redacted] - 0602 [redacted] Fax [redacted] - 0602 [redacted]

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Cork Gully

Business for Sale

Wessex Designdraft Limited

(In Receivership)
- Design [redacted] engineering
- Technical drawing
- [redacted] graphic [redacted]

The business and assets of the company are offered for sale as a whole or by [redacted]
Main features are:
- Turnover £1.1m
- Four leasehold premises in Salisbury and Bournemouth
- Approved to BS5750 part 1 and AQAP 1.
- Established customer base

For further details please contact Adrian Stanway or Craig [redacted] at Cork Gully, Hill House, [redacted] Hill, [redacted] BH2 [redacted] 296012 Fax: 0202 292324.

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Cork Gully

Petron Golf plc.

(In Administrative Receivership)

The Joint Administrative Receivers offer for sale the business and assets of [redacted] above [redacted] a going concern. Key features include:

- *[redacted] established (17 years) UK manufacturer of golf clubs specialising in [redacted] Measure, based in [redacted]*
- *Annual turnover in [redacted] of £3.4M to November [redacted] with [redacted] strong [redacted] base*
- *Experienced workforce with a highly motivated sales [redacted]*
- *Manufacturing facility extends [redacted] 16,000 sq.ft. with [redacted] opportunity [redacted] lease or purchase the freehold*

For further information please [redacted] A.G. Pearce, Joint Administrative Receiver, Ernst [redacted] Young, P.O. [redacted] 1, 3 Colmore Row, Birmingham B3 2DB. Telephone: 021-626 6262.

ERNST & YOUNG

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Boyden Derby Limited

(In Receivership)

The business and assets of this well established vehicle dealer in Derby are [redacted] for sale. At present the company trades as a Vauxhall Dealership.
Assets for sale include:
- [redacted] Acre site
- Stock of motor vehicles
- Plant & Equipment

For further information please contact: Stephen J. Taylor or Jill Howsam, Cork Gully, Cumberland [redacted] Nottingham, NG1 [redacted] Telephone: 0602 470658 Fax: 0602 410192

Cork Gully is authorised in the name of Coopers & Lybrand Deloitte by the Institute of Chartered Accountants in England and Wales to carry on Investment [redacted]

[redacted] Gully

Pak-A-Way Air Heaters
Jetstream Boilers
Perrymatics Boilers

The receivership of RKF Group Plc has led to the opportunity [redacted] *acquire* [redacted] Engineering Limited [redacted] Perrymatics Limited.

- [redacted] premises in Littlehampton, [redacted]
- Modern production facilities.
- *Sales and distribution network throughout UK and Europe.*
- [redacted] approximately £9 million for year to [redacted]
- Approved product standards in UK and Europe.

For [redacted] PS Padmore FCA, Price Waterhouse, The Quay, 30 Channel Way, Ocean Village, Southampton SO1 1XE
Tel: [redacted] (0703) 223473.

Price Waterhouse

Dudley Port Steel Structures Limited

(In Receivership)

- Designs, fabrication and erection [redacted] structural [redacted]
- [redacted] and [redacted] for [redacted]
- [redacted] *property* [redacted] *equipment.*
- [redacted] customer [redacted]
- [redacted] Country based.
- Turnover in 1990 £6.3m.

Enquiries to [redacted] Hancock FCA, of:
[redacted] Waterhouse, Livery House,
169 Edmund Street, Birmingham B3 [redacted]
Tel: 021-200 3000. [redacted] *021-200 2902.*

Price Waterhouse

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within walking distance of town centre, one mile from M3 motorway. 27 bedrooms, bar, two function rooms, 60 cover restaurant, 3/4 Bed [redacted] accommodation. T/O £171,000 pa. Freehold £600,000.
Apply London Clancy (0256) 462222.

Boyden Leasing Limited

(In Receivership)

The business of this leasing company which operates alongside the companies in the Boyden Group is offered for sale. The Company at present trades from Derby and has a large number of contract hire agreements in existence.

For further information please contact Stephen J. Taylor or Jill Howsam of Cork Gully, Cumberland House, 35 Park [redacted] Nottingham, NG1 6FY. Telephone Number (0602) 470658, Fax No. (0602) 410192.

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Cork Gully

PUBLIC NOTICES

Schroder Capital Management International
is interested in being contacted by Minority, Women Business Enterprises and California domiciled brokerage firms with international equity trading capabilities. Please contact:
Jonathan J. Boosman
Schroder Capital Management International, 33 Gutter Lane, London EC2V 8AS England
011-447-1-382-6018

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PERSONAL

CONTENTS OF WARWICKSHIRE country house for sale. Furniture, pictures, ornaments, chandeliers etc. £20,000, no dealers. Write to Box H8080, Financial Times, One Southwark Bridge, London SE1 9HL.

FOR SALE
Small Publishing Company
Range of [redacted] in graduate market. Turnover approx. £450,000 + [redacted] Opportunity [redacted] acquire exciting publishing venture. All seriously [redacted] parties [redacted] reply by Friday 15th February.
Write Box [redacted] Financial Times, One [redacted] Bridge, LO[redacted] SE1 [redacted]

MANAGEMENT EDUCATION & DEVELOPMENT

The FT proposes [redacted] publish this survey on

9th April 1991.

It will be of particular interest [redacted] the 76% of senior businessmen responsible for training and personnel who are regular FT readers. If you want [redacted] this important audience, call Sara Mason on 071 [redacted] fax 071 873 3064.

FT SURVEYS

Continued on Page 21

هكذا من الأصل


The interior of Chartres Cathedral showing the [illegible] window by Dennis Creffield, left; and 'Witches Spitting Fire' by Joseph Beuys

Drawings which defy description

William Packer reviews the work of an expressionist, [illegible] mystic and a minimalist

Three notable one-man exhibitions current in London give [illegible] the opportunity [illegible] see drawing shown in [illegible] own right, [illegible] perhaps to consider quite what we [illegible] "drawing" [illegible] be. [illegible] the [illegible] Gallery [illegible] Albemarle [illegible] W1: [illegible] March 1) Den[illegible] Creffield, [illegible] the age of 60, is having his first London show in a private gallery. At Anthony d'Offay Fine Art (9, 21 & 23 Dering Street W1: until February 26), a large retrospective exhibition of the drawings of the late Joseph Beuys fills all three galleries. And upstairs in Annely Juda's handsome new premises (23 Dering Street W1: until March 2), Alan Reynolds' retrospective includes a number of large drawings. Of the three artists, one is an expressionist, one a conceptualist and mystic, one a minimalist. There is nothing to be seen of objective description or analytical study between them.

Creffield does at least make direct reference in his work to an observed reality. He has already made drawings of all the English cathedrals, which were shown around the country by the South Bank Board, and [illegible] he has turned his attention to cathedrals of northern France. But the result is indeed far from being in any [illegible] an [illegible] description of what he sees. There is no detail, no close study of architecture in any Ruskinian sense, and it [illegible] hard [illegible] see how there could [illegible] single façade would [illegible] bend. [illegible] the truth [illegible] observa[illegible] on the physical [illegible] intu[illegible] experience [illegible] great monuments [illegible] him, inside or out.

He [illegible] so with exuberantly abstracted [illegible]. It [illegible] bulk [illegible] place, the building [illegible] object, or the contradictory, soaring lightness of such weight that [illegible] him, [illegible] the high, swirling emptiness [illegible] the [illegible]. Which[illegible] the images are [illegible] charcoal working [illegible] the surface, drawn, rubbed-out, rapidly [illegible] instinctively reworked and rubbed again, images [illegible] like [illegible] conjured [illegible] the [illegible].

In the [illegible], before [illegible] the Slade, Creffield studied at the Borough Polytechnic where, along with Auerbach and Kossoff, he was taught by David Bomberg, whose teaching by example was not the least of his contributions to British art. In Creffield, an artist similarly overlooked for so long, he has a worthy heir, certainly in respect of [illegible] draughtsmanship.

This is not to make direct and inevitably [illegible] comparison, for Creffield [illegible] entirely his own man. Yet to [illegible] before [illegible] fiercely active, abstracted visual responses to the fronts of Rheims or Rouen, or the flying buttresses of Le Mans, is immediately to think of Bomberg at Ronda, the town high [illegible] above the [illegible].

Only [illegible] the pupil [illegible] the master, investing all the painterly [illegible] past [illegible] in [illegible] now immense, seemingly [illegible] of drawings. To [illegible] they challenge [illegible]tional hierarchy and, though mere works on [illegible], aspire to [illegible] standing and authority of painting, [illegible] to state [illegible] obvious.

The drawings by Beuys could hardly be more different, not least in [illegible] coming [illegible] they [illegible] of [illegible] guru [illegible] modernism, they [illegible] hardly [illegible] unobtainable. [illegible] or [illegible] shown, all [illegible] single [illegible] from note or sketch-book, though one image, "[illegible] cable", extends [illegible] several, in conceptual if [illegible] unity.

Overall they [illegible] from [illegible] 1940s to [illegible] 1980s, and within [illegible] there is not even an approach to an observed reality. Rather they represent [illegible] gently doodling exploration [illegible] an entirely imaginary world, [illegible] line gentle, scrappy, wandering [illegible] allusive, the [illegible] arbitrary, improvisatory [illegible] abstracted, the touch light, the [illegible] wryly humorous and reflec[illegible]. It is drawing justified simply by making [illegible] beginning to [illegible] end.

Figures [illegible] emerge, and strange creatures, [illegible] always [illegible] unspoken magical purpose, as with prehistoric paintings [illegible] cave, images [illegible] familiar and magically [illegible]. Beuys identified [illegible] closely [illegible] other world, seeing [illegible] "the Shaman", the priest[illegible] that figures [illegible] several of [illegible] drawings. It is for the artist, as he saw it, to devise the rituals and guard the mysteries of the creative imagination, and it is in this sense that all his work, with its fetishes, totems and mixed installations, continues to have meaning, difficult though it so often is for the sceptical to accept as art.

Often enough I find that difficulty myself with particular work, but I do respond to its ambiguous, informing, atavistic force. And it [illegible] such drawings as these that bring us closest to Beuys's imaginative sources, revealing him as a true artist, [illegible] rather than charlatan. The mistake lies only [illegible] assuming that everything of [illegible] especially [illegible] deep [illegible] significance.

Alan Reynolds [illegible] an artist, [illegible] his mid 60s, whose first success came [illegible] the 1950s with his strongly graphic, [illegible] images of [illegible] hop fields, [illegible] and [illegible] Ancients. But [illegible] directly recognisable [illegible] seductive imagery [illegible] always lay [illegible] simpler, [illegible] abstracted pictorial architecture. The [illegible] refinement [illegible] story [illegible] career.

This retrospective shows how truly of [illegible] piece that career has been, [illegible] to last, the earliest paintings not merely sympathetic but [illegible] to [illegible] drawings, though [illegible] may be of hop poles and the last a simple, modular arrangement [illegible] of [illegible]. [illegible] judgement of texture, [illegible] and surface is exact, the touch at once impersonal and unmistakeable. And what [illegible] the image but an order [illegible] pro[illegible] of these [illegible] they dance across the surface, light and stately. "Such harmony [illegible] immortal souls; but ... we [illegible] hear it."

Mostly Carter

QUEEN ELIZABETH HALL

But [illegible] only him: the London Sinfonietta's contribution on Sunday [illegible] the Elliott Carter festival [illegible] included Oliver Knussen's ten-year-old *Coursing*, [illegible] the [illegible] Stravinsky [illegible] for piano and orchestra. With Knussen himself conducting, both [illegible] sat perfectly with the Carter music, and made their own lucid impressions. The six [illegible] *Coursing* again seemed marvellously dense; memory said that the tearaway unison-line for everybody [illegible] even sharper [illegible] the Roundhouse première, but memory [illegible] plays false. A [illegible] Knussen piece [illegible] announced too, but nobody really expected it [illegible] happen, and it didn't.

He secured [illegible] tingling, articulately balanced account of Stravinsky's ultra-compact Movements, with Paul Crossley as [illegible] model soloist – discreetly pointed expression, quite without the over-refined *mezzo piano* and languishing paragraph-ends [illegible] bothered me in [illegible] recent Sony recording (same band, [illegible] conductor). It's another work [illegible] reveals [illegible] satisfying density [illegible] hearing whilst retaining [illegible] light and astringent air.

Carter's Double [illegible] – again [illegible] Ian Brown's piano and John Constable's harpsichord: it has [illegible] party-piece – [illegible]. This [illegible] piece Stravinsky identified when [illegible] whether there [illegible] any American masterpieces in music. Probably [illegible] about [illegible] pragmatic realisation will remain: there [illegible] many [illegible] ought [illegible] vital to the audible development, but which invariably fall victim [illegible] to [illegible] frailty of harpsichord-sound (even amplifi[illegible]. On the [illegible] hand, the big dramatic paragraphs and the large-scale rhythm of [illegible] score always strike home [illegible] performance [illegible] this much expertise. [illegible] must [illegible] to think [illegible] everything will eventually [illegible] heard, over the years, in *some* performance [illegible] other.

Earlier, Carter's 1988 [illegible] Concerto made [illegible] captivating experience. Backed by Knussen's fine [illegible] for orchestral colour, Gareth Hulse delivered [illegible] solo part – scarcely [illegible] during its [illegible] length, when the rule for orchestra-oboes [illegible] that they shouldn't be [illegible] play more than a third of the time! – with [illegible] imagination. Carter has provided [illegible] rich role for an intrepid player (the work [illegible] commissioned for Heinz Holliger): not only capricious variety [illegible] the [illegible] succulent kind, but expressive potential [illegible] should reward exploring through many performances. Hulse [illegible] a committed [illegible] explorer.

[illegible] had [illegible] Carter's brittle, lovely tribute [illegible] Sir William Glock, [illegible] homage-canon for wind-and-string quartet in which [illegible] slow, luminous middle section makes retrospective [illegible] of [illegible] opening and lights [illegible] what's still [illegible] come. Carter's [illegible] homage [illegible] much-regretted Italo Calvino, [illegible] "Con leggerezza pensosa" [illegible] mixed trio, proved [illegible] gentle, wry and elevated. Sweetly, lyrically "accessible" throughout, with pawky repetitions [illegible] guide [illegible] equally to misdirect it into illuminating surprises, [illegible] honour [illegible] Calvino's style with [illegible].

David Murray

BBC Symphony Orchestra

ROYAL FESTIVAL HALL/RADIO 3

A [illegible] certainly settling into London's musical life. One cancellation [illegible] another [illegible] moment, [illegible] singers, conductors and [illegible] whole orchestras fail to [illegible]. Especially disappointing is the [illegible] of [illegible] Wand, who [illegible] sched[illegible] with the BBC Symphony Orchestra, [illegible] it was [illegible] that the orchestra's Principal Conductor was on hand to take over on Friday.

This was not the first time that Andrew Davis has taken the place of the ailing Wand [illegible] himself conducting Bruckner, [illegible] same thing happened [illegible] the [illegible] a [illegible]ple of [illegible]. For [illegible] conductor who is making [illegible] unenviable substitution, there is however one boon. Wand likes long rehearsal periods and the fruits of those could be heard on Friday in the clean rhythmic articulation [illegible] wind [illegible] brass.

That rhythm should play [illegible] prominent part in Bruckner's Eighth Symphony [illegible] all [illegible] a lot about Davis's view of the composer. The radio broadcast of the concert, to which I listened, fell within five or six minutes of the time that the BBC had allotted to Wand; but it felt as though the symphony had passed altogether more rapidly. The performance had [illegible] vigorous, at times almost athletic quality about it.

Davis is not a Brucknerian of long and deep experience. To date his best understanding of the symphony [illegible] form has been shown in the works of later composers and the lessons learnt there cannot help being [illegible] were [illegible] in [illegible] modern way. The endlessly repeated phrases, so personal a feature of Bruckner's [illegible]yle, pushed ahead as though they wanted to be obsessive Mahler or insistent Shostakovich.

In short, [illegible] performance [illegible] short on [illegible] Brucknerian virtues of patience [illegible] magisterial nobility of heart. [illegible] edition, incorporating passages that the [illegible] later cut, was used. That is [illegible] version accepted by most musicians these days, but perhaps Andrew Davis might consider a return [illegible] the slightly trimmed Nowak edition. [illegible] view [illegible] symphony as [illegible] taut [illegible] structure would coincide well with his own.

The second of Wand's intended concerts, an [illegible] programme on Friday [illegible] this week, will now be conducted by Stephen Bishop-Kovacevich.

Richard Fairman

Rusalka

NATIONAL THEATRE, PRAGUE

This new production of *Rusalka* arouses mixed feelings. None [illegible] voices makes much of an impressi[illegible]. The staging is neither literal enough to satisfy traditionalists [illegible] sufficiently confident [illegible] its own ideas [illegible] be classed [illegible] modern. By international [illegible] it [illegible] a modest achievement, [illegible] wonders whether this is the right time for the [illegible] Theatre [illegible] considering a return visit [illegible] the Edinburgh Festival.

Given [illegible] company's current predicament, however – no [illegible] no budding younger generation [illegible] singers [illegible] designers and [illegible] management floundering indecisively – [illegible] a miracle that the production [illegible] mounted [illegible] all. [illegible] is staged by an Austrian, Nikolaus Windisch-Spoerk, designed by Josef Svoboda and conducted by Bohumil Gregor.

Gregor's contribution alone makes the evening worthwhile. He establishes *Rusalka* as a true Bohemian music drama, curing it [illegible] the Wagnerian [illegible] tend [illegible] drift into west European [illegible], and suggesting that Dvorak as [illegible] as [illegible] built [illegible] on speech rhythms – the Wood-Nymphs' motif is a good [illegible]ple.

It is good to hear the work again [illegible] in the original Czech, and even [illegible] find [illegible] National [illegible] orchestra responding so crisply and idiomatically to Gregor's direction. The overall effect is extremely poetic – horns and woodwind contributions are a constant delight – and Gregor's dynamic shading for the singers is exemplary. Gregor, [illegible] association with this company now [illegible] 46 years, deserves [illegible] for providing an artistic mainstay in its hour of need.

Svoboda's decor [illegible] an [illegible] of his [illegible] for [illegible] 1955 production, which had begun to [illegible] increasingly old-fashioned and tatty. The set is still a masterpiece [illegible] illusion, this time through the use of constantly changing proj[illegible] on to a background wall of flowing strips. [illegible] an impression [illegible] dappled light in [illegible], purple [illegible] turquoise, and offer half-seen vistas of lakeside rushes, forest glade and castle façade.

His approach [illegible] be fundamentally naturalistic – no Pountneyesque [illegible] here – but it has the virtue of visual economy. [illegible] is [illegible] spirit that hovers [illegible] *Rusalka*, placing it somewhere between [illegible] impressionist otherworldiness [illegible] *Pelleas* [illegible] the [illegible] of Tristan.

On the surface, it was [illegible] dubious use of the [illegible] Theatre's [illegible] an unknown foreign producer. [illegible] Windisch-Spoerk's ideas [illegible] questionable – above all, the appearance of extras in modern evening [illegible] during [illegible] act two polonaise, while [illegible] dance was glimpsed on film in period [illegible].

However, he more than compensated by persuading the cast to jettison its [illegible] stock-in-trade gestures – the [illegible] of [illegible] performances in Prague – [illegible] to justify [illegible].

As a result, [illegible] two minor exceptions, the acting [illegible] concentrated and purposeful.

[illegible] singing is no better or worse than one might expect from the house ensemble [illegible] a medium-sized German theatre. [illegible] Markova's Rusalka is [illegible] and statuesque, but she tends to sing flat and as yet does not create character with the voice. The Prince was Miroslav Kopp, Prague's only leading tenor, who husbanded his resources [illegible] without developing a strong dramatic profile. Daniela Sounova-Brouckova [illegible] a lacklustre Foreign Princess. Some of [illegible] singing came from the three Wood-Nymphs, particularly Iveta [illegible].

Andrew Clark

British ceramics sale a quiet success

By carefully selecting [illegible] antiques they [illegible] accepting for [illegible] and [illegible]ing on reasonable reserves, the auction houses are gently nursing the art [illegible] to health. A good example was provided [illegible] Christie's yesterday when British ceramics totalled £181,082, with just 10 [illegible] unsold.

This has always been a quiet, unsensational, market but [illegible] so [illegible] sale [illegible] encouraging. A Chelsea [illegible] beaker, 7cm high, made around 1750, beat its estimate at [illegible] while [illegible] Glasgow (Delftfield) baluster [illegible] and [illegible] decorated with flowers, [illegible] to 1760, more than doubled its forecast at £8,800.

In contrast [illegible] saltglaze mug of around 1740, commemorating the victories of Admiral Vernon, [illegible] well below forecast [illegible] same sum.

The Japanese are still busy in [illegible]tain sections [illegible] the market. [illegible] Tokyo dealer paid [illegible] in [illegible] York [illegible] weekend for a platinum [illegible] diamond wristwatch, made in [illegible] by Vacheron and Constantin.

Antony Thorncroft

INTERNATIONAL ARTS GUIDE

TODAY'S EVENTS

AMSTERDAM

Concertgebouw [illegible] Baer sings Beethoven, [illegible] Mendelssohn and others, accompanied by Helmut Deutsch (718345)

■ BARCELONA

Gran Teatre [illegible] **Liceu** [illegible] performance of Johannes Schaaf's Salzburg Festival production of Capriccio, conducted by [illegible] Mund with [illegible] led [illegible] Lucia Popp (412 1466)

■ BERLIN

MUSIC

Staatsoper unter [illegible] **Linden** 19.00 Claus Peter Flor [illegible] Der Freischütz, with Magdalena Hajossyova [illegible] Agathe [illegible] Reiner Goldberg [illegible]. Sun: Heinz Fricke [illegible] Der [illegible] (2004 762)

Deutsche Oper [illegible] Gunter Kramer's [illegible] production of *Die* Entführung [illegible] dem Serail (3410 249)

THEATRE

Berliner Ensemble [illegible] The Caucasian Chalk Circle (2827 712)

Deutsches Theater 19.30 Kleist's Der zerbrochene Krug (2871 [illegible])

Schaubühne [illegible] Luc Bondy's *production* [illegible] Tale, designed by Erich [illegible] Fri (890023)

Schiller Theater *20.00 Liebe* [illegible] Tod, adaptation [illegible] and *Juliet by Thomas* [illegible] Sat (3195 [illegible])

■ BOLOGNA

Teatro Communale [illegible] *Un* [illegible] in [illegible] Aprile Millo as Amelia. [illegible] Fri [illegible] Sun [illegible]

■ BRUSSELS

Palais des Beaux Arts [illegible] Ronald Zollman [illegible] Mozart symphonies [illegible] Steven [illegible] soloist in Haydn's [illegible] *Concerto in C* (507 8200)

Monnaie [illegible] Revival [illegible] Dresen's production [illegible] Jenufa [illegible] by Ingo [illegible], with Linda Plech in [illegible] and Anja Silja [illegible]. Also Thurs and [illegible] (219 6341)

■ CHICAGO

Orchestra Hall [illegible] Kurt Masur conducts Chicago Symphony [illegible] in [illegible] Classical Symphony, Hindemith's [illegible] Music for [illegible] and Strings and *Mendelssohn's* [illegible] *Symphony.* Thurs, Fri and Sat: [illegible] Zuckerman [illegible] Elgar, Haydn and Mozart (435 6666)

■ HAMBURG

Staatsoper 19.00 Harry Kupfer's production [illegible] *Werther* [illegible] by Gerd Albrecht, with Keith Ikaia-Purdy in title [illegible] and Kathleen Kuhlmann as [illegible]. [illegible] *Fri. Tomorrow* [illegible] Runnicles conducts Lady [illegible] of [illegible]

Deutsches Schauspielhaus [illegible] Fuchs directed by [illegible] Bogdanov, [illegible]

■ LONDON

MUSIC

Covent [illegible] Haitink conducts [illegible] *Friedrich's* production [illegible] Götterdämmerung, [illegible] Gwyneth [illegible] as Brünnhilde, [illegible] as Siegfried and John [illegible] Hagen. [illegible] Sat (240 [illegible])

Coliseum [illegible] Nancy [illegible] sings [illegible] role in [illegible] Pountney's staging [illegible] Thurs [illegible] 3161)

[illegible] **Festival Hall** [illegible] Bryden [illegible] London Philharmonic in [illegible] Hindemith Variations, Elgar's [illegible] Linda Finnie, [illegible] Rachmaninov's Third [illegible] played by Leon McCawley [illegible]

[illegible] ***Elizabeth Hall*** [illegible] Christopher [illegible] London Chamber Orchestra in a programme [illegible] by English composers [illegible]

THEATRE

This [illegible] include The King and I starring [illegible] Hampshire (Sadler's Wells), [illegible] by [illegible] (Wyndham's), Dürrenmatt's The [illegible] (National), [illegible] Redgrave [illegible] Chekhov's [illegible] (Queens), Pinter's The Homecoming [illegible] by [illegible] Hall (Comedy) [illegible] Christopher Hampton's [illegible] play [illegible] Chameleon (National). [illegible]

Theatreline: Plays [illegible] Musicals [illegible] 430960 [illegible] 0836 430961 [illegible] 0836 430962

■ MUNICH

[illegible] Gala evening [illegible] Sylvie Guillem dancing Bolero, Evelyn Hart and Dinko Bogdanovic in [illegible] Kylian's Nuages, Eugene *Fleming's tap-dance group from* New York [illegible] other guests, [illegible] soloists and ensemble [illegible] State Ballet (221316)

Cuvilliés-Theater [illegible]30 *Wolf-Ferrari's opera Die* neugierigen [illegible] (221316)

■ NEW YORK

MUSIC

Avery Fisher Hall [illegible] Zubin Mehta conducts New York Philharmonic Orchestra in symphonies by [illegible] Brahms, with Igor [illegible] in [illegible] Violin Concerto. Thurs, Fri [illegible] Ewing sings [illegible] Four [illegible] Songs (874 [illegible])

Metropolitan Opera 20.00 Fidelio with Elizabeth [illegible] as Leonore [illegible] Gary [illegible] as [illegible]. Tomorrow and Sun: Domingo sings in La [illegible] Fri: Pavarotti sings in Luisa Miller [illegible] 6000)

DANCE

[illegible] **York State** [illegible] York City Ballet programme [illegible] *Jerome Robbins'* [illegible] Goose, music by Ravel (870 [illegible])

THEATRE

This week's shows [illegible] Falsettoland, William Finn's musical featuring a [illegible] in [illegible] hospital room of a man dying [illegible] Aids (Lucille Lortel), John Guare's new play Six Degrees [illegible] *Separation (Lincoln Center)*, Stephen Sondheim's [illegible] musical Assassins (Playwrights Horizons) and Shogun: The Musical, which includes an earthquake among [illegible] *string* [illegible] *spectacular* [illegible] (Marquis). Ticketron [illegible] inquiries [illegible]

■ PARIS

MUSIC

[illegible] **Comique** [illegible] Fournillier [illegible] Fishers, also [illegible] 8883)

[illegible] Valery [illegible] plays [illegible] piano [illegible] Thurs: Georges [illegible] National de France (4720 3637)

[illegible] **de la** [illegible] Kremer, Oleg Maisenberg and [illegible] Maisky play [illegible] Trio D898 and [illegible] String Trio. [illegible] and *friends give further* [illegible] evening till [illegible] (4274 2277)

Salle Pleyel [illegible] Armin Jordan [illegible] Haydn's The [illegible] with Ensemble [illegible] Margiono, Hans-Peter Blochwitz [illegible] Gilles Cachemaille (4286 [illegible])

THEATRE

[illegible] new production [illegible] Le Malade Imaginaire, [illegible] Fri [illegible]

Théâtre de la [illegible] Calderon's The Wonder-Working Magician. [illegible] till [illegible] (4274 2277)

Théâtre [illegible] **du** [illegible] Peter Brook's production of The Tempest. Runs till [illegible] 2 (4607 3450)

■ ROME

[illegible] **dell'Opera** [illegible] [illegible] by [illegible] Merritt [illegible] Fri and [illegible]

■ VIENNA

Staatsoper [illegible] Felicity Lott sings Arabella, [illegible] John Broecheler as Mandryka, [illegible] Fri. Tomorrow and [illegible] Leontina Vaduva sings *Manon* (51444 [illegible])

Volksoper [illegible] Die Zirkusprinzessin (51444 [illegible]) Telephone [illegible] of [illegible] the Staatsoper, Volksoper and Burgtheater [illegible] for [illegible] credit cards by ringing Vienna [illegible] 513

[illegible] 19.30 Walter Klien plays piano music by Mozart. Tomorrow: [illegible] by [illegible] (505 8190)

Konzerthaus [illegible] Steinberg conducts Austrian Radio Symphony [illegible] in music by [illegible] and Bernstein. Tomorrow and [illegible] Hans Zender [illegible] Ensemble [illegible] (7124 [illegible])

■ WASHINGTON

Kennedy [illegible] **Hall** [illegible] Rostropovich conducts National Symphony [illegible] in music by Mahler, Wernick and Tchaikovsky. Fri: [illegible] programme with Salzburg [illegible] conducted [illegible] Graf (467 4600)

■ ZURICH

Opernhaus 19.30 Nikolaus Harnoncourt [illegible] Der Zigeunerbaron, [illegible] Thurs and Sun. Fri: *Elektra* (251 0909)

Schauspielhaus 20.00 [illegible] Misanthrope [illegible] by Rudolf Noelte, also Thurs (251 1111)

European Cable and Satellite Business TV

(all [illegible] CET)

MONDAY TO FRIDAY

Eurosport

[illegible] report

CNN

[illegible] Moneyline

[illegible] Moneyline

[illegible]

1330-1400 [illegible] Day

[illegible] World [illegible] Tonight - a joint FT/CNN production [illegible] a [illegible] day's major [illegible]

[illegible] World [illegible] Tonight

0100-0130 Moneyline

Superchannel

0700-0830 Financial Times [illegible] Report

[illegible] minute [illegible] briefing [illegible] three [illegible] 0700 [illegible] 0800

[illegible] only) Financial [illegible] Weekly - [illegible] round-up.

SATURDAY

CNN

[illegible] Moneyline

[illegible] World [illegible] Tonight - [illegible] joint FT/CNN pro[illegible]

[illegible] Moneyweek

[illegible] World [illegible] *This* [illegible]

2110-2140 Your Money

SUNDAY

Superchannel

[illegible] FT Business Weekly

CNN

[illegible] Moneyweek

[illegible] Your Money

1900-1940 Moneyweek

[illegible]

(Continued on [illegible] following page.)

هكذا من الأصل

FINANCIAL TIMES
NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 [redacted]
Tuesday February 12 1991

German shock for France

FOR FRANCE the [redacted] of the economic game [redacted] perverse. After seven years of tight monetary policy French inflation has fallen almost to German levels. Yet the franc [redacted] languishing almost [redacted] the bottom of the European exchange rate system, [redacted] interest [redacted] are still above [redacted] in Germany. [redacted] full economic [redacted] still elude France? Or [redacted] Germany passing part of the burden of unification [redacted] to France? The truth lies in between.

The inflation differential [redacted] and Germany [redacted] fallen [redacted] over 7 percentage points in 1983 to less than 1 percentage point today, with the prospect [redacted] inflation [redacted] France than [redacted] Germany by the end of the [redacted]. This [redacted] bought [redacted] period of [redacted] growth [redacted] living [redacted] and persistent unemployment.

Yet France now [redacted] oasis of stability. [redacted] domestic product [redacted] expected to grow by about [redacted] per [redacted] moderately rising unemployment, falling [redacted] and [redacted] slowdown in [redacted] spending will keep [redacted] low.

The [redacted] of low and [redacted] with [redacted] inverted yield [redacted] that French monetary policy [redacted] unnecessarily tight [redacted] grounds. Yet [redacted] in [redacted] remain high [redacted] have [redacted] be [redacted] prevent [redacted] from falling through [redacted] lower band [redacted] ERM.

Why must French interest rates remain [redacted] those in Germany? Credibility [redacted] yet complete. [redacted] reason [redacted] convergence [redacted] inflation rates, including unit labour costs, [redacted] not prove [redacted] French economy has adjusted fully. Only when French tradable goods [redacted] demonstrably competitive [redacted] prevailing nominal exchange [redacted] will convergence [redacted] complete.

Lower inflation

In the early [redacted], particularly [redacted] 1983 and [redacted], rising labour [redacted] export competitiveness and profitability. [redacted] costs have grown more slowly than in Germany [redacted] 1985, restoring [redacted] to international levels. But [redacted] lost market share every year since [redacted], while the OECD estimates that between 1985 [redacted] 1989 [redacted] manufacturing trade [redacted] deteriorated by [redacted] percentage points of GDP. A period of [redacted] inflation in [redacted] than in Germany will [redacted] needed before export [redacted]petitiveness is fully regained.

Conflicting objectives

Nevertheless, the main immediate [redacted] for [redacted] conflict between domestic objec[redacted] and the [redacted] of interest [redacted] sustain the exchange [redacted] against the D-Mark arises from [redacted] in German [redacted] rates, following unification. The D-Mark had [redacted] appreciate in [redacted] terms, in order [redacted] out [redacted] current account surplus into the domestic economy. Thus German interest [redacted] to attract German and foreign capital into Germany. But they have [redacted] risen [redacted] keep price [redacted] inflation in check.

The [redacted] have an understandable desire to resist [redacted] upward realignment [redacted] the D-Mark. [redacted] realignment would undermine the credibility [redacted] franc [redacted] gained over [redacted] past [redacted] years. It would probably [redacted] higher, not lower, [redacted] rates, [redacted] perceived risk [redacted] future devalu[redacted] rise. Even [redacted] discussion [redacted] realignment [redacted] costly [redacted] France.

Nevertheless, if [redacted] real appreciation [redacted] the [redacted] to [redacted] via a realignment [redacted] D-Mark, it [redacted] through lower inflation in France than in Germany. The French economy is being squeezed more than [redacted] necessary [redacted] French inflation [redacted] German levels.

The [redacted] of the dollar has [redacted] strain, as [redacted] the recession in the UK. But it [redacted] the German budget deficit, [redacted] is keeping [redacted] rates higher than they need be, [redacted] puts the greatest strain [redacted] monetary policy and political tolerance. The German government [redacted] its fiscal [redacted] in order. [redacted] process of adjustment, in [redacted] elsewhere, is diffi[redacted] enough already, [redacted] the unneighbourly export [redacted] excessively [redacted] from Germany.

Home loans in context

IS [redacted] housing [redacted] market [redacted] The question [redacted] not [redacted] that [redacted] Anglo-Saxon economists instinctively [redacted] inclined to ask. Yet it needs to be raised in the light of a new comparative study on international housing finance from [redacted] Bank of England which confirms what most readers of this paper have known for a long time, namely [redacted] decline in the personal sector savings [redacted] in Britain and [redacted] US in the 1980s owed [redacted] great deal [redacted] the [redacted] housing finance.

Between 1982 and 1989, when the [redacted] of [redacted] debt [redacted] gross national product in Germany was almost static at about 22 per [redacted] ratio [redacted] in round figures from [redacted] per [redacted] to [redacted] per cent, while [redacted] comparable rise in the US was from 33 per cent to 45 per cent. In other words, a shift from a system of credit rationing in which building [redacted] and savings [redacted] loans were the [redacted] lending institutions to a more [redacted] market where loans [redacted] by price [redacted] than queue permitted large [redacted] in [redacted] indebtedness [redacted] the household [redacted] in [redacted] countries. That increase [redacted] associated, [redacted]cially in Britain, with a marked spurt in house price inflation. And in the US, [redacted] deregulation was introduced in order [redacted] encourage savings and loans to [redacted] their way out of financial trouble, the outcome [redacted] whose cost could top $200bn.

Less borrowing

In contrast, the higher propensity [redacted] in developed countries such as Germany, Japan, France and Italy reflects [redacted] restrictive arrangements that make it harder to buy [redacted] home without saving more [redacted] advance and borrowing smaller sums in relation [redacted] value of the [redacted] In [redacted] countries will banks or savings institutions advance [redacted] of value, as was the [redacted] in Britain in the [redacted] boom. And the risk [redacted] moral hazard inherent in deposit insurance, whereby depositors [redacted] tempted [redacted] place their money [redacted] returns appear high[redacted] regardless [redacted] risk, is controlled in very un-British ways.

[redacted] go so far as [redacted] forbid [redacted] publicity about their insurance scheme, claiming that any announcement might reduce confidence in the banking system.

These differences in national [redacted] loan practice can be exaggerated. While [redacted] is true, as the Bank [redacted] England paper points out, that German mortgage banks [redacted] prevented by the authorities from lending [redacted] than 60 [redacted] of value, German borrowers frequently [redacted] in [redacted] package from [redacted] three institutions, which helps raise the overall percentage above this figure. Barriers to entry to the home loan market are coming down in all [redacted] developed countries. [redacted] the process will [redacted] in continental Europe [redacted] result of the 1992 programme.

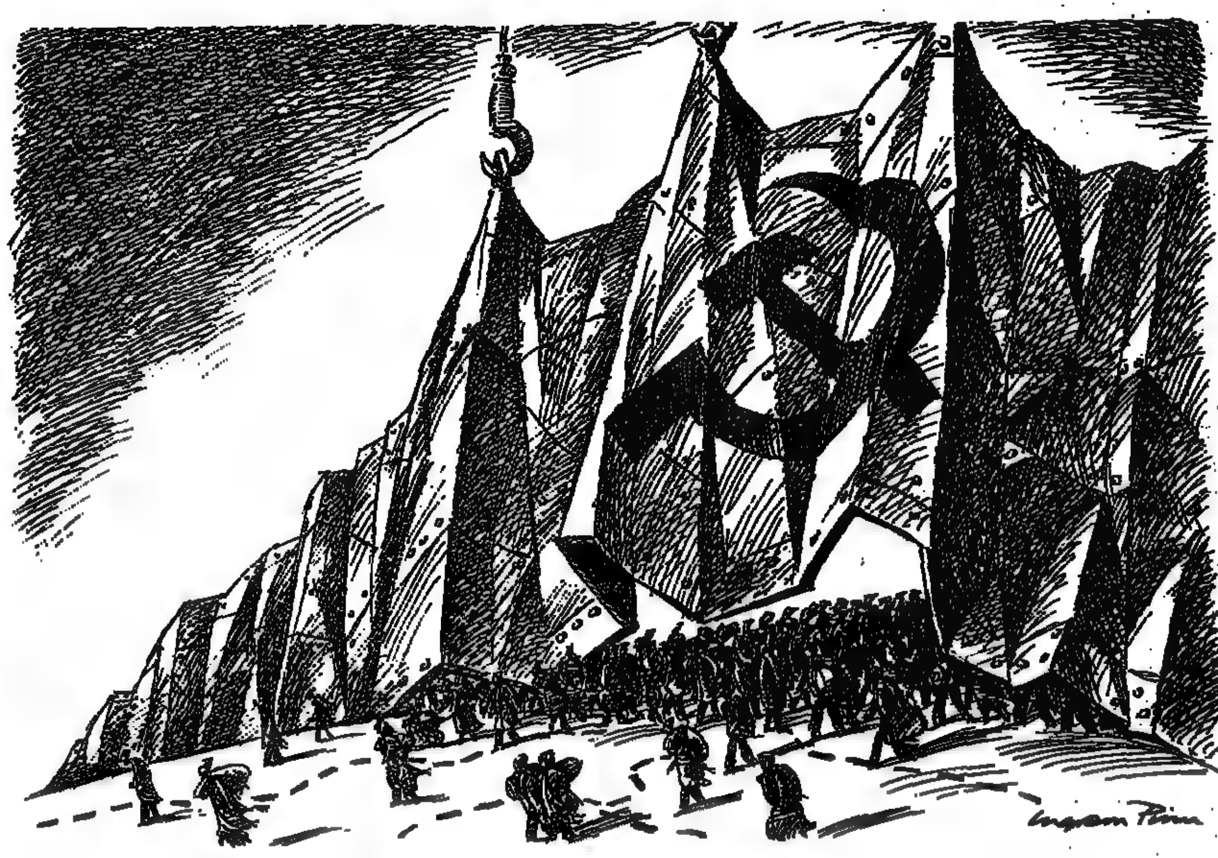
Clear divide

But for the moment there remains a [redacted] divide [redacted] the Anglo-Saxons and [redacted]tinental Europeans, which is reflected in their respective [redacted] surpluses [redacted] deficits, [redacted] ready [redacted] to housing [redacted] in the more liberal [redacted] permits [redacted] spending on imports. And [redacted] problem for the British government, when [redacted] rates start to fall, is to know how much further the portfolio adjustment on [redacted] liabilities [redacted] personal sector's balance [redacted] go. Even within the [redacted] of the ERM it [redacted] conceivable that the unused collateral in [redacted] housing market will be tapped again.

There is widespread scepticism in the financial [redacted] about the feasibility [redacted] reintroducing credit controls on the asset side [redacted] the balance sheet. [redacted] in any case would be hard to [redacted] with the general thrust of the 1992 programme. But a worthwhile longer-term goal might [redacted] seek [redacted] prevent [redacted] worst excesses [redacted] the US deposit insurance system being replicated in Europe. There is [redacted] powerful case for [redacted] European Commission [redacted] put the harmonisation [redacted] European deposit insurance schemes firmly on the agenda. American-style deposit brokerage and arbitrage in pursuit of [redacted] most generous insurance [redacted] could otherwise prove highly destabilising.

Judy Dempsey examines the prospect of mass emigration from the Soviet Union and eastern Europe and how the west would react

The long march westwards



As the Soviet Union descends into economic and political chaos, the spectre of vast numbers of [redacted] citizens emigrating westwards [redacted] haunting European governments and the [redacted] administration.

In late spring, many Soviet people may, [redacted], win [redacted] right to leave, [redacted] bill before the Soviet parliament becomes law. Even though the [redacted] need [redacted] no immediate [redacted] – a six-month grace period will be in force for administrative and passport procedures – the prospect looms of up to 2m people a year flooding out of the stricken empire.

Last month, ministers met in Vienna at the Conference on [redacted] Movement of Persons coming from central and [redacted] European [redacted] discuss the implications of [redacted] migration and to [redacted]sider western countries' responses.

Nobody [redacted] how many from [redacted] Soviet Union will leave. [redacted] Vladimir Scherbakow, [redacted] of the [redacted] delegation [redacted] conference, organised by the Council of Europe, said surveys [redacted] that between 5m and 6m people "are not satisfied with their present work or [redacted] their social conditions", and [redacted] might consider emigration. But, [redacted] added, the real figure could [redacted] between 1.5m and [redacted] people [redacted] year for [redacted] couple of years.

[redacted] European governments [redacted] daunted by the prospect [redacted] uncontrolled [redacted] migration. Thousands of eastern Europeans could also head west. With the exception of [redacted] from Romania, [redacted] will be "refugees"; they will [redacted] eligible for political asylum. Under [redacted] of the 1951 Geneva Convention, [redacted] refugee [redacted] "any [redacted] who [redacted] of being persecuted in [redacted] country of origin for [redacted] race, religion, nationality, membership of [redacted] particular social [redacted] political opinion".

In a [redacted] presented to the conference, Mr Jean-Claude Chesnais, [redacted] French social demographer, explained [redacted] other [redacted] could force people [redacted] Soviet Union [redacted] eastern Europe [redacted] emigrate. "Ethnic tensions could [redacted] emigration of scattered minorities," [redacted] wrote. These include 1.5m Soviet Jews, [redacted] Germans from [redacted] Soviet Union and [redacted] Europe, [redacted] Armenians in [redacted] Union.

Over time, they could [redacted] absorbed by Israel, [redacted] Canada; but [redacted] 700,000 ethnic Turks [redacted] Bulgaria, or the [redacted] ethnic Hungarians in Romania whose [redacted] in these countries remains precarious.

[redacted] suggesting that [redacted] ethnic [redacted] succeed in migrating en [redacted] tries. Even if they wanted to, in many cases western governments would demand [redacted] combination [redacted] entry visas, proof of hard currency, work permits [redacted] invitations. He is simply warning western governments of [redacted] possibility, particularly from those countries which become politically unstable.

But in many respects it failed to draw up [redacted] framework [redacted] tackling emigration. In a bland communiqué, participants agreed [redacted] consider [redacted]oping policies [redacted] at controlling migration, co-ordinating [redacted] at keeping in their own countries [redacted] migrants, and curbing those illegal immigrants travelling in the guise of tourists [redacted] up working in the [redacted] of the country they visit. The communiqué – [redacted] – [redacted] eastern Europe of any [redacted] that [redacted] welcome the lifting of the iron curtain by throwing open [redacted] borders.

What [redacted] concerns [redacted] governments is the impact poor economic prospects and rising unemployment in [redacted] Europe and the Soviet Union will [redacted] on migration. Mr [redacted] reckons that [redacted] Soviet Union [redacted] shifting [redacted] away from military-[redacted] industry to [redacted] purposes, unemployment will rise. At present, [redacted] 18m people work in [redacted] defence industry. A [redacted] official told [redacted] UN's International Labour [redacted] last year that [redacted] introduction of any radical economic reforms, pace Poland, could lead [redacted] short-term unemployment of between 35m [redacted] people. Between 1m and 1.5m Soviet citizens would try [redacted] emigrate [redacted] the foreseeable future, [redacted].

[redacted] far, economic reforms in [redacted] Europe have not led to large-scale unemployment. However, [redacted] Chesnais believes that by 1995, unemployment in Poland could reach 5m. Mr Gyula Kiss, Hungary's labour minis[redacted], recently [redacted] unemployment [redacted] could [redacted] to [redacted] or 4.5 per [redacted] of the labour force. Mr [redacted] Klaus, [redacted] minister, predicted [redacted] unemployment [redacted] rise to 7 per cent, or [redacted] 300,000. In Romania, [redacted] range between 100,000 and 200,000. These [redacted] are ill-equipped to deal [redacted] joblessness. There is a [redacted] of a [redacted] drain.

This horrifies the [redacted] democratic governments. They [redacted] talent, and [redacted] younger generation, to remain at [redacted] that it can form [redacted] of [redacted] newly-emerging political, economic and [redacted].

Mr Marek Okolski is [redacted] profes[redacted] demography [redacted] Warsaw university. In studies presented [redacted] the Council of Europe, [redacted] shows that [redacted] 398,000 people [redacted] working [redacted] who emigrated from Poland between [redacted] 1987, [redacted] per [redacted] completed post-secondary education. "The [redacted] category [redacted] emigrants (59,600) [redacted] identical to the average annual number of university graduates in [redacted] 1980s; it [redacted] higher for physicians and engineers," he says.

Bulgaria [redacted] facing a [redacted] drain. Between January and June 1990, [redacted] 45,000 people with higher [redacted] return from trips abroad. "Most of [redacted] university friends [redacted] left," said [redacted] Stoichova, [redacted] professional interpreter. "Many are doctors. Many [redacted] outstaying their tourist visas. They [redacted] not found jobs [redacted]. Instead, they [redacted] working in [redacted] or in [redacted]. They just [redacted] escape for [redacted] few [redacted] from the misery here."

In [redacted], more than 100,000 ethnic Germans, the [redacted] crafts, entrepreneurial and agricultural sector, had [redacted] to Germany [redacted] January and Sep[redacted] 1990; [redacted] had [redacted] political asylum in Germany.

Since [redacted], more [redacted] 1m people [redacted] emigrated from the [redacted] Union, [redacted] of them [redacted] who have [redacted] by Germany or Israel. Curiously, [redacted] authorities, despite the intellectual and [redacted] potential of these two [redacted] for them to [redacted] or come back.

In contrast, those Hungarians and Czechoslovaks who travel return home. [redacted]tively [redacted] neither has been [redacted]dled with [redacted] austerity [redacted] reforms. They also have [redacted] human rights records. For [redacted] reasons, western governments have [redacted] adopt [redacted] travel [redacted] towards [redacted] various [redacted] European countries. Poles resent this.

"Austria, Britain, Ireland and other countries have lifted all visa require[redacted] for Hungarians and [redacted]. Just before [redacted] Austrian [redacted] October, [redacted] government re-imposed [redacted] for [redacted] and Romanians. [redacted] discriminatory measures," [redacted] a Polish diplomat. [redacted] Austrian diplomats reject criticisms for continuing visa requirements.

"The Poles come here as tourists, but they stay for many weeks and work in the black economy," said one [redacted] Home Office official.

Austria's image as a safe haven for refugees was dented in last October's parliamentary [redacted] when immigration became an election issue. The rise in xenophobia forced the [redacted]trian government to dispatch troops to guard [redacted] eastern frontiers [redacted] Hungary through [redacted] Romanians attempt to travel to the west. Troops were also [redacted] the border [redacted] Yugoslavia for fear of large migrations if violence between Croats and Serbs spilled into civil war.

The governments [redacted] eastern [redacted] have a dilemma. If they [redacted] reforms [redacted] speed [redacted] privatisation, unemployment will increase; there will be [redacted] time lag before employment opportunities are created. In the interim, [redacted] unrest and [redacted] cannot [redacted] ruled out; the pressure [redacted] emigrate will rise. [redacted] do not [redacted] with reforms, their economies will remain under-developed.

[redacted] International Organisation for Migration, an inter-governmental body based in Geneva, has suggested ways of coping with this dilemma, as well as discouraging migration and irregular migration – travelling as a tourist, outstaying [redacted] visit and working in the black economy. In a report submitted to the Vienna conference, it suggested that those wishing to emigrate should be informed of the employment conditions in the receiving countries.

"There are exaggerated expectations, and even fantasies about the west," says Mr Bimal Ghosh, a consultant at the IOM. "The general public in the countries of eastern Europe should be informed about the problems of social integration as well as restrictions on employment," he says. Would-be migrants, he adds, have little information about job opportunities, costs of living, or housing and social conditions. He recommends the development of an information programme accessible to the general public through the media.

Mr Ghosh admits that irregular migration cannot be stemmed in the short term, but should be addressed [redacted] western governments. "This kind of migration often involves labour exploitation and extortion, illegal trafficking, declining standards of business ethics and could even lead to a spiralling of migrants."

Conversely, some western gov[redacted] tend to select immigrants on the basis of their own labour [redacted]. Immigration offi[redacted] in Canada and Australia, for instance, work on the principle of "selection". [redacted] consider each individual case, regardless [redacted] the country of origin. We have to make sure there are jobs for them and that they can integrate," explained a Canadian immigration official. With the exception of the US, [redacted] countries have quotas. However, this process of selection amounts to a quota system which [redacted] the skilled [redacted] encourages a brain [redacted].

However, Germany, which [redacted] borders with Czechoslovakia and Poland, and is, like Austria, vulnerable to large migration flows, has gone the furthest of all western governments towards adopting longer-term policies towards immigration. This is in spite of its large communities of Turks (1.6m), Yugoslavs (610,000), the task [redacted] integrating the eastern Ger[redacted] population [redacted] 16m, and [redacted] year's influx [redacted] 397,000 [redacted] Germans. Over the past two years:

■ Bonn has set up "guest worker agreements" [redacted] and Poland. [redacted] these 1,000 Poles and 500 Hungarians can be employed for up to 18 months. It is about to sign similar agreements with Czechoslovakia and the Soviet Union.

■ [redacted] September 1990, workers from Czechoslovakia can acquire work permits for jobs in the Landkreise – the [redacted] both countries – provided residence is maintained in Czechoslovakia. This system is expected to be extended to the German-Polish border.

● Foreign companies are allowed to employ their own personnel in Germany. The upper limit for the employment of foreigner has been increased to 70,000. Some 35,000 workers from the countries of eastern Europe are employed under such contracts.

East European diplomats are not convinced these policies will be adopted by other western European countries. The Hungarian government, for example, has been seeking such agreements, so far unsuccessfully, with neighbouring Austria.

Government officials from eastern Europe also believe that the move towards the single European market, which will be in place in 1992, and attempts by the EC member states to harmonise policies for free movement of people within the EC, could make travel and the possibility of work by east Europeans in EC countries more difficult. It could also delay the integration [redacted] two Europes.

Protesting too much

■ British Telecom may insist that its increasingly public punch-ups first with its official regulator [redacted] now with well known economists [redacted] all part of an interesting debate on the future [redacted] British telecommunications policy. But they still suggest naivety on the part of a rather insular giant [redacted] six years in [redacted] private [redacted].

There is no doubt [redacted] British Telecom's future will turn on the outcome of the duopoly review, and there is considerable sympathy with its criticism of governmental p[redacted]als. However, [redacted] – especially [redacted] heavy-handed threat to pursue the matter all the way to the Monopolies and Mergers [redacted] – [redacted] high-risk strategy that [redacted] raising eyebrows in [redacted] City.

If BT feels so strongly, surely [redacted] should [redacted] waging an equally high-profile campaign to per[redacted] that they are getting wonderful services? With enough [redacted] left for mere cost-cutting [redacted] ensure good profits for [redacted] to [redacted] BT does [redacted] be defending its patch with the subtlety one might expect from a highly professional multinational.

One flaw in its organisation is that 47-year-old Iain Vallance, a career BT man, is both chairman and chief executive. The sooner the job [redacted] split in [redacted] the better.

Despite its many faults, British Airways is an [redacted] role model. While Lord King terrorises the politicians, Sir Colin Marshall runs [redacted] shop.

No kidding

■ Who says facsimile machines have [redacted] communi[redacted]? An august [redacted] York law firm has just [redacted] a colleague a fax prefaced by [redacted] following [redacted]

"The information contained in this facsimile transmittal is intended only for the personal and confidential use of [redacted] designated recipient named above.

"This transmittal [redacted] a confidential attorney-client communication or may otherwise be privileged and confi[redacted]. If [redacted] of [redacted] transmittal is not the intended recipient or an agent responsible for delivering it to [redacted] intended recipient, you are hereby notified that you have received this transmittal in error, and that any review, dissemina[redacted] distribution or copying of this transmittal is strictly prohibited. If you have received this in error, please notify us immediately by telephone (call us collect) and return the original transmittal [redacted] us by mail.

"Thank you."

OBSERVER

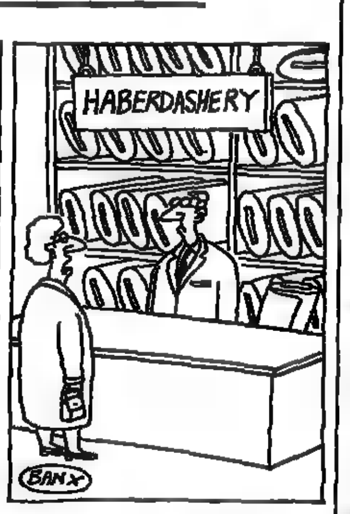
Matey

■ Top Anglo-German relationships have certainly lost their formal chill [redacted] the departure of Margaret Thatcher, [redacted] self-righteousness drove [redacted] Helmut [redacted] almost to [redacted].

Wreathed in smiles, Kohl emerged [redacted] his meeting with the UK prime minister in [redacted] announce that [redacted] had accepted John Major's invitation [redacted] spend a weekend with him in England in the summer. Meanwhile Major was openly addressing [redacted] German [redacted] as "Chancellor [redacted]"

Tractor drivers

■ It [redacted] not completely unknown for an outsider to jump the queue for [redacted] presidency [redacted] Britain's National Farmers Union. Nevertheless, it would be a great surprise if David Naish, the NFU deputy president, did not replace Sir Simon Gourlay as president [redacted] country's [redacted] powerful lobbying groups after [redacted]row's closed meeting of [redacted] NFU council.



"I need [redacted] yard [redacted] khaki for making [redacted]"

The NFU [redacted] in much the same way as the Tory party. They emerge. But though seniority is the most important criterion, the [redacted] of [redacted] replacement [redacted] deputy president, and the [redacted] president, are [redacted] time. Christopher French, currently NFU [redacted] president is [redacted] obvious frontrunner. But Ben Gill and Tony [redacted] are also jockeying for position, which might say something [redacted] the [redacted] and strains in an industry undergoing its [redacted] recession in more than [redacted] years.

In [redacted] respects, [redacted] 51-year old Naish is an ideal candidate. The nephew [redacted] the first Lord Netherthorpe, [redacted] figure [redacted] history, [redacted] more gregarious than [redacted] outgoing president. [redacted] the City well and has [redacted] opinions [redacted] his own.

Gourlay, who has headed the NFU for [redacted] last [redacted] years, has shown that the union's responsibilities are far [redacted] than just fighting [redacted] higher prices [redacted] an industry heavily dependent on Government support. Naish will need [redacted] prove early on, as Gourlay did, that he does not suffer from the tunnel vision which affli[redacted] so many of his constituency.

Non-specific

■ [redacted] Anyone [redacted] London's Home Buying and Finance [redacted] Court in April will be able to get same from no less than the Securities and Investments Board itself. It [redacted] exhibiting jointly [redacted] advise on home and investment matters.

There is, however, a small snag. The board, although the overall financial services regulatory body, [redacted] advise, handle [redacted] in investments. Neither is any member of i[redacted] staff. So it will be confined [redacted] giving only generic [redacted] the show, specific [redacted] being proscribed.

That [redacted] as a handi[redacted] by [redacted] spokeswoman, [redacted] the show activity will be part of its campaign [redacted] public aware[redacted] the things [redacted] be kept in mind and [redacted] questions [redacted] ask [redacted] a decision is made. "We [redacted] tell people how [redacted] keep the money sharks [redacted] bay."

Nevertheless, the board's presence [redacted] could well attract numerous people to go [redacted] it for help with their particular investment quandaries, only to [redacted] away with [redacted] dusty answer at best.

Jones boys

■ Keeping [redacted] with the Joneses [redacted] becoming increasingly difficult in Wales [redacted] days. Presenting a Welsh Language Board report in Cardiff yesterday the chairman John Elfed [redacted] sat [redacted] his director John Walter Jones. Huw Onllwyn Jones was secretary to the committee while Ron [redacted] and Geraint Jones [redacted] in the background. [redacted] Evanses and Williamses were quite outnumbered.

FOREIGN AFFAIRS

Unclear war goals cloud peace aims

Robert Mauthner on the devious verbiage surrounding the allies' stated objectives in the Gulf

With commendable foresight, the leaders of the western members of the Gulf coalition are devoting almost as much time [illegible] pronouncements [illegible] their peace aims as to explanations of their war aims, though the war is far from over. The reason, perhaps, is that it is easier to be honest about the former than about the latter, which continue to be enveloped in a cloud of devious verbiage.

Mr James Baker, the US secretary of state, and Mr Douglas Hurd, his British counterpart, have bent over backwards to dispel any impression that their governments might stray beyond the authority with which they have been invested by United Nations Security Council resolution 678.

That and other UN resolutions call upon members of the coalition to use "all necessary means" to obtain the withdrawal of Iraq from Kuwait, to restore its legitimate government and to ensure peace, stability and security in the region. Washington and London have allowed themselves some interpretative licence by stating that this wording not only allows them to use military force, but necessarily implies "the destruction of Saddam Hussein's [illegible] machine".

For the [illegible], however, [illegible] p[illegible] mainly with a [illegible]talogue [illegible] negative war aims. Iraq will not be [illegible] and its borders [illegible] not be called into question. The coalition is not conducting [illegible] vendetta against the Iraqi people and is trying hard to minimise civilian casualties. It will not impose upon the Iraqis a particular type of government.

Yet no one has dared to proclaim in public what most think and [illegible] in private, namely that one of the principal war aims has to [illegible] the overthrow of President Saddam Hussein and his regime, if peace and stability are to prevail in the region. The nearest to an honest admission that this is, at the least, the desired outcome of the war, have been Mr John Major's and President George Bush's remarks that they would not "shed any tears" if Mr Saddam were to be removed or disappear.

From a purely diplomatic point of view, the lack of precision on the part of the US and British governments in setting out their war aims is understandable. They do not want to forfeit the vital support of their Arab allies such as Saudi Arabia, Syria and Egypt, traditionally suspicious of US and British motives and intentions, or the Soviet Union, whose co-operative policy in the security council has [illegible] in allowing the military operation to [illegible] place under [illegible] United Nations' umbrella.

Nor do they want to [illegible] fuel [illegible] the fire [illegible] public opinion in large [illegible] of [illegible] Islamic world, which already sees [illegible] military intervention [illegible] behalf [illegible] and Saudi Ara[illegible] [illegible] no more than [illegible] convenient cover [illegible] ist ambitions and designs.

However, the trouble with not clarifying one's war [illegible] that [illegible] tends to make [illegible] non[illegible] one's peace aims. Many [illegible] the post-conflict objectives [illegible] out by Mr Baker in [illegible] testimony [illegible] Representatives Foreign Affairs [illegible] and by Mr Hurd in [illegible] public statements, would be extremely difficult, if not impossible, to attain if Mr Saddam remained in power and his forces were pulled back only to the Iraq-Kuwait border.

If that were to be the only result of the war, and even if only a part of Iraq's huge military forces survived the aerial bombardment to which they are now being subjected, prospects for creating a regional security system embracing Iraq would disappear. As long as the political menace of Mr Saddam was not eradicated, any realistic regional security system would look more like a continuation of the present US-dominated coalition against Iraq than a wider Arab-led enterprise, possibly under UN auspices. Promises by the US and Britain that the liberation [illegible] would be [illegible] by [illegible] early withdrawal [illegible] ground forces [illegible] the Arabian peninsula could [illegible] be honoured in such circum[illegible] without risking [illegible] outbreak [illegible].

The [illegible] ond main [illegible] aim – regional [illegible] control covering [illegible] and chemical and nuclear [illegible] – would also fall by the wayside if the present Iraqi [illegible] and its leader [illegible]. The arms build-up in [illegible] region is [illegible] permanent [illegible] to [illegible] and stability in the Mi[illegible]dle [illegible] as [illegible] Iran-Iraq war and [illegible] Iraqi invasion [illegible] Kuwait [illegible] only [illegible] clearly. Iraq, [illegible] 5,000 tanks, [illegible] 1m-strong army [illegible] of the war, and [illegible] spending of at least 25 per cent of gross domestic product, no doubt headed the Middle East military league, at least in quantitative terms. But Saudi Arabia, Syria, Israel and Egypt are not far behind. Indeed, as [illegible] emphasised in his testimony, [illegible] Middle [illegible] more battle tanks than France or the UK.

Yet it is hardly conceivable that Mr Saddam, particularly after all the losses and destruc[illegible] by [illegible] military forces, would participate voluntarily in [illegible] regional arms control pact, [illegible] would fur[illegible] already [illegible] diminished capacity to pursue [illegible]. By the [illegible] token, it [illegible] unlikely that other [illegible] in [illegible] region and the Middle [illegible] whole – Saudi Arabia, the Gulf emirates, Syria, Iran, [illegible] to [illegible] nothing of [illegible] – [illegible] while one of their arch-enemies, though seriously wounded, was still [illegible] place.

> **No one has dared to proclaim in public what most [illegible] in private, namely that one of the principal war aims has to be the overthrow of Saddam Hussein, if peace and stability are to prevail in the region**

[illegible] would new plans [illegible] so-called "supply-side arms control" – agreed export [illegible] by [illegible] main arms suppliers – [illegible] much ch[illegible] of success [illegible] time when client [illegible] still considered themselves threatened by traditional enemies and their protectors felt obliged to help them. Would the US ever agree to halt its arms sales to Israel as long as Mr Saddam was still in [illegible] political position to threaten its long-term secu[illegible]?

As the superpower relationship over the past decade or so has shown, arms control works only when it is based on political détente, not vice versa. It was the "new thinking" of Mr Mikhail Gorbachev and his former foreign minister Mr Eduard Shevardnadze which opened the way to nuclear mis[illegible] arms agreements in Europe. [illegible] agreements [illegible] not [illegible] been possible at the height of the cold war.

The same is certainly [illegible] for the Middle East, though it will doubtless prove to be even more difficult to create the necessary [illegible] of mutual trust in [illegible] tortured region than it was between the US and the Soviet Union in Europe. Quite apart from [illegible] festering Arab-Israeli problem, which on its own is largely responsible for the high level of armaments in the region, countries such as Syria, Saudi Arabia and Iran have also considered it necessary to [illegible] themselves against the potential threat from Iraq – or, indeed, each other. There has always been the hope that a comprehensive military and political defeat of the Iraqi dictator would at least start to unravel some of this Gordian knot and open up some avenues to regional peace and security which were previously closed.

If, however, Mr Saddam is allowed to survive politically and is given the opportunity by the coalition partners to withdraw a substantial part of his ground forces behind his own borders, no fundamental problems will have been solved. Though Kuwait will have been liberated, its independence will continue to be threatened. The Gulf region will remain a powder-keg, the world's oil supplies will continue to be threatened and today's high-minded peace aims will prove to be no more than pie in the sky.

Richard Tomkins looks at the government's latest initiative to expose more of Britain's ports to the discipline of market forces

Sea breeze of change

These are testing times for Britain's ports. Decades of stagnation [illegible]ght to an end by [illegible] deregulation and privatisation. Suddenly, the winds of competition are blowing around the dock gates.

One indicator of the changes taking place is the Ports Bill now before parliament, which paves the way for the privatisation of some of the biggest public-sector ports such as Tilbury, Dover and Medway.

This is the latest government measure aimed at opening the industry to market forces. Importers, exporters and the UK economy should all [illegible] cheaper [illegible] better service.

The changes, however, could come at the cost of the more vulnerable UK ports, some of which seem likely to be lost in the ensuing shake-out.

There are about 300 British ports. They range in size from fishing harbours such as Mevagissey in Cornwall to commercial docks such as Tilbury on the Thames estuary.

Until recently, privately-owned ports were as rare in Britain as they are in the rest of the world. Most were owned by the state, by local councils, or by self-governing trusts set up under individual acts of parliament – the trust ports.

The first step towards deregulation came in 1983 when the government [illegible] Associated British Ports. That [illegible] 19 large [illegible] Southampton, Hull and Plymouth into the private sector.

In July 1989, [illegible] Dock Labour Scheme – which guaranteed employment [illegible] union members – was abolished. This swept away restrictive practices on the waterfront and opened the path to startling leaps in productivity.

With the Ports Bill, the government is providing for the privatisation [illegible] the 111 [illegible] ports, 11 of which are among Britain's 20 busiest.

Tees & Hartlepool in Cleve[illegible] – [illegible] port, [illegible] Britain's biggest after Tilbury – is one which has undergone [illegible] transformation since the [illegible] of [illegible] Labour [illegible]. Where once [illegible] employed 445 registered dockers, it now handles similar tonnages with a flexible workforce of 120, supplemented by [illegible] labour.

Mr Neville Britton, [illegible] director, says productivity and competitiveness have soared since the scheme's abolition.

"Previously," says Mr Britton, "running the docks was above all an industrial relations problem. Most of the time was spent arguing with dock[illegible]: management [illegible] mainly of attempting to man[illegible] people who [illegible] unmanageable.

"Now, running the docks is [illegible] organising work, getting the best productivity and managing people, equipment [illegible] facilities. It has put management on its mettle, because if any port doesn't do as well as its competitors, it doesn't have the scheme to hide behind."

Significantly, freedom from restrictive practices is bringing [illegible] to [illegible]pool. Three private companies have opened wharves there in the last 18 months, and the port authority itself has re-opened a small general cargo wharf which closed in 1980.

With the scheme gone, Tees [illegible] Hartlepool's main frustration is its status as a trust port. Consistently profitable over the years, it has a cash surplus of about £25m, but it is prevented by its [illegible] from investing in [illegible] other than the port itself.

Privatisation will bring freedoms which Tees [illegible] Hartlepool intends to exploit. It plans [illegible] take on property development as [illegible] sideline by releasing the potential of [illegible] land on the periphery of its estate; widen [illegible] scope by becoming a fully-fledged transport operator, with road haulage and distribution [illegible] complement its cargo-handling operations; and diversify geographically by acquiring wharves, docks or ports [illegible]where in the UK.

Tees [illegible] Hartlepool is [illegible] the first nor the only port to set its sights on expansion. [illegible]d British Ports has already set the trend by buying three ports since privatisation and diversifying into transport and property development. Others have similar plans.

The catch is that the ports industry, long burdened by overcapacity, will be unable to accommodate these aspirations unless some locations grow at the expense of others. Rationalisation therefore appears inevitable.

Few in the industry believe there are going to be mass closures – at least, not yet. More likely are changes of ownership, particularly [illegible] the larger trust ports come to the market.

Some of these trust ports are likely to be bought by their managements, but since the [illegible]nment is planning to [illegible] on competitive bidding as they come up for sale, it is possible that others will be snapped up by rivals or by their principal users.

Dover, for example, is likely to be seen as a particularly enticing target by cross-channel ferry operators such as P&O and Sealink, [illegible] would like [illegible] look after their passengers at the beginning and end of the journeys as well as during the Channel crossing.

Specialisation is also likely to feature in the new regime. Instead of attempting to compete across the spectrum, ports will tend to build up expertise in particular types of cargo such as cars, coal, containers, or fresh fruit.

Some ports do, however, look vulnerable. Foremost among them are those which prospered by being being outside the Dock Labour Scheme, but which now face competition on equal terms.

ABP reckons its Humber ports have already taken back half the trade from the non-scheme private wharves which prospered up-river along the Trent: and Felixstowe, which also benefited by being outside the scheme, will have to fight hard to maintain its competitive position.

Beyond that, there could be [illegible] for [illegible] thinning out [illegible] ports [illegible] they are particularly heavily concentrated. If cut-throat competition breaks out between, [illegible] Ipswich, Felixstowe, Tilbury, the Isle of Grain and Medway, a private-sector owner of Ipswich might conclude that property [illegible]opment would give a better return on the port's land assets than cargo handling.

Tees [illegible] Hartlepool's Mr Britton, however, is one member of the industry who believes that rationalisation will not stop [illegible].

"Only the fittest are going [illegible] come out of this," he declares, "and [illegible] shake-out will do the industry no harm whatsoever". The Dock Labour Scheme was an incredible constraint on the ports: but with that gone, it will be quality [illegible] management [illegible] will mean success or failure for a port – and some are [illegible] to fail, I am sure of that."

LETTERS

Cautionary note on pension pledges

From [illegible].

Sir, Once again Barry Riley in his article on company pension provision ("No [illegible] from age of uncertainty", February 2) moves the debate on to a higher plane than most commentators and makes some incisive comments.

For instance, he points out that there is likely to be a sharp polarisation between final salary [illegible] sponsored by some large companies and money purchase schemes.

However, while he highlights the current legal uncertainties, particularly with regard to sex discrimination, he could have given greater emphasis to longer-term financial uncertainties for employers and employees.

[illegible] man's certainty [illegible] man's [illegible]. While the [illegible] of the cost of expected pension increases equivalent [illegible] limited price indexation (LPI) may [illegible] the same [illegible] for guaranteed [illegible] rate, the [illegible] certainly is not.

[illegible] companies sponsoring final salary schemes with greatly heightened guar[illegible] should be [illegible] serious consideration to [illegible] risks involved. Engineers [illegible] toler[illegible] on [illegible] often critical to [illegible] proper functioning [illegible] machinery.

Directors should [illegible] their [illegible] to estimate [illegible] inaccuracy for their precisely estimated contribution [illegible] and past service reserves. Pensions managers will be reluctant to ask their actuaries the question. Directors may have to think for themselves. They should not allow the momentum of their final salary schemes to carry them into dangerous waters without first having assessed the risks. More importantly, an intermediate position [illegible] sharply polarised alternatives created by the 1990 Social Security Act should be available. The government should make possible a more equal distribution of risks and guarantees.

T S Shucksmith,
Shucksmith & Co,
Lincoln House,
Nutley Lane,
Reigate, Surrey

Savings boost

From Mr Philip Warland.

Sir, Edward Ball's article, ("Major promotes savings graces," January 14) set out clearly that the UK government is moving towards a regime of positive discrimination towards personal savings. There is one very easy way to move further in this direction.

In 1989, over 40 per cent of investments in Peps were via unit trusts. Members of the [illegible] Trust Association tell us that about three-quarters of those funds were in unit-only Peps – suggesting both that many savers are wary of choosing their own portfolio, whatever the tax advantage, and prefer to gain professional management via the unit trust [illegible].

Thus, if the government were to allow a Pep to be invested 100 per cent in unit trusts, savings in Peps would rise substantially.

If the government is serious about savings, it is the route it must take.

Philip Warland,
Unit Trust Association,
65 Kingsway, London WC2

Stock Exchange trading rules

[illegible] Mr Michael Josephs.

Sir, Mr Stanley Ross (Letters, February 7) blames "[illegible] bureaucracy" for interfering with [illegible] trading rules [illegible] the International [illegible] Exchange.

[illegible] implies [illegible] the rules should [illegible] exclusively by the traders. Are we to understand that there are no possible conflicts between the needs of investors, intermediaries and own-account traders?

On the contrary, changes in the trading rules may affect all market users, but their effects are very subtle, and frequently not anticipated.

Indeed, the present arrangements for testing trading rules amount to vivisection practised on the tender body of the working market. We only discover the real implications of new rules after many months or years of working under them. The [illegible] lies not with the bureaucracy, but with the [illegible] been [illegible] to them.

[illegible]t developments in the "modelling" of markets enable new rules to be "proof-tested" in an extremely realistic and detailed fashion without risking traders' capital or level of service to the investor.

The impact on traders' profitability and on quality of markets can be assessed with considerable confidence for a [illegible] of market conditions. [illegible] techniques will totally alter the way financial mar[illegible] are run. However, it would be naive to think that the advent of such objective evidence will please everyone!

Michael Josephs,
City Point
Bellside House
4 Elthorne Road
Archway, London N19

Timely reminder

From Dr Stephen Castell.

Sir, [illegible] Martin's T-Shirt slogan "Banks: [illegible] them?" (February [illegible]) was a timely reminder of an analysis that, I think, has stood [illegible] some time.

Would [illegible] please [illegible] the same analysis of the [illegible] banking situation?

And would it come to the same conclusions ?

I suspect so. Perhaps the UK, too, deserves a banking reform which will "encourage the creation of new state-chartered local business finance institutions . . ." Real [illegible] real [illegible] as their bankers. Will [illegible] help found "The [illegible] Bank"?

Stephen Castell,
Castell Computer and Systems Telecommunications,
20, Grange Road,
Witham, Essex.

Closing the gap

From Mr John Whitehead.

Sir, David Lascelles ("Profit and loss in London's banking centre", February 7) says that there is in London "a growing sense that the economic centre of the EC is shifting towards the Continent".

If he is right, we must, I suppose, be grateful that the perceptions of the Little Englanders may finally be catching up with reality. But when will they succeed in closing the gap? Not before the end of 1992, one suspects.

John Whitehead,
16 Winslow Road,
Great Horwood,
Milton Keynes

What causes woes for big public relations firms

From Mr Richard Weissenberg.

Sir, The article "Grim picture for the image-makers" (Financial Times, February 2) gives a good outline of some of the macroeconomic pressures on public relations firms.

However, it draws imprecise conclusions from the performance of certain companies, and gives bad advice to unemployed PR executives.

The woes of big PR firms are generally caused by an over-dependence on clients in volatile businesses like retail, property and financial services. This [illegible] not quite [illegible] thing [illegible] "over-ambitious expansion". Firms in [illegible] business-to-business and public [illegible] are holding up fairly well [illegible] far), [illegible] matter how fast they grew in [illegible] 1980s. I [illegible] suggest that Mr Burgess' company was [illegible] strange example to include. [illegible] demise exhibits symptoms which seem related mainly [illegible] the firm's financial control and contractual proc[illegible]. And its chief seems [illegible] attach unusual importance [illegible] time spent in restaurants.

Let's [illegible] turn [illegible] advice: [illegible] does not cost "next to nothing" to set up a PR consultancy. You need working capital: probably 10 per cent to 20 per cent of forecast turnover. Attempting to start an under-capitalised business will add to an unemployed executive's woes. The other standard caveats about starting a business also apply to PR.

Richard Weissenberg,
Magnum Opus Communications, Wellington House,
Wellington Road,
Woking, Surrey.

Fax service

Letters [illegible] Editor [illegible] on [illegible] 5938.

Letters should be clearly typed; and the fax machine set for fine resolution. Readers with an electronic mail service can use that for a [illegible] computer-to-computer link, but should first [illegible] puter department on 071[illegible]

(Continued [illegible] the following page.)

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FINANCIAL TIMES
Tuesday February 12 1991

MANDELA TRIAL

Prosecution witness kidnapped, court told

By Patti Waldmeir [redacted] Johannesburg

THE TRIAL [redacted] Mrs Winnie Mandela, [redacted] of Mr Nelson Mandela, deputy president [redacted] the African National Congress (ANC), was adjourned yesterday after [redacted] court [redacted] told a key prosecution [redacted] had been kidnapped.

The alleged kidnapping raised doubts [redacted] whether the [redacted] could proceed with its case against Mrs Mandela who [redacted] *charged with four* [redacted] of kidnapping and four [redacted] with intent to commit grievous bodily [redacted]

Mr [redacted] Swanepoel, prosecution counsel, told the court that the kidnapping of Mr [redacted] Pelo Mekgwe "will obviously intimidate other witnesses".

"I cannot simply proceed and have [redacted] witnesses come in here if their lives are in danger," he said, and [redacted] judge to adjourn the case until this morning to allow police [redacted] investigate.

The [redacted] against Mrs Mandela and seven co-accused has [redacted] seriously hampered by [redacted] *number* [redacted] *Four* [redacted] the co-accused, [redacted] testimony [redacted] expected to be crucial, jumped [redacted] and [redacted] *so far* failed [redacted] show up [redacted] the trial.

However, [redacted] add an element [redacted] proceedings, one [redacted] the fugitives accused, Mr [redacted] Cebekhulu, turned up outside the court last week, apparently unconcerned by the presence [redacted] dozens of policemen. [redacted] photographed by the Johannesburg Sunday Times newspaper and quoted [redacted] saying: "I wanted to [redacted] the trial. I just wanted [redacted] see [redacted] was going on."

The disappearance [redacted] the four co-accused undoubtedly hampered the [redacted] However, yesterday's disappearance [redacted] Mr Mekgwe, said by [redacted] cution to be one of the victims of [redacted] kidnap and assault, must seriously impede it. Mr Mekgwe's alleged kidnapping may, [redacted] pointed out by [redacted] cution counsel, intimidate other state witnesses. The impartiality of [redacted] of them had already [redacted] called into question [redacted] it was discovered that they had recently been employed by the ANC.

Another potential witness, Dr Abu [redacted] Asvat, [redacted] murdered shortly after the events which gave rise [redacted] the charges against Mrs Mandela. Before the adjournment, Mrs Mandela had pleaded not guilty [redacted] charges, which arise from the abduction [redacted] 1988 [redacted] four youths by members of Mrs Mandela's bodyguard, the so-called "Mandela United Football Club".

[redacted] the boys, Stompie Seipei, was *later found with his* throat slit in a Soweto ditch. The club's coach, Jerry Richardson, was sentenced to [redacted] for [redacted] murder.

It has been alleged that Mrs Mandela was present [redacted] four youths [redacted] assaulted [redacted] her [redacted] home. Yesterday, Mrs Mandela claimed [redacted] away [redacted] the time.

[redacted] At least 17 people [redacted] killed and 11 injured when gunmen ambushed two [redacted] and [redacted] pick-up truck in Natal province, in a renewed outbreak of fighting between the [redacted] and the Zulu Inkatha Freedom party.

UN leader is left out in the cold

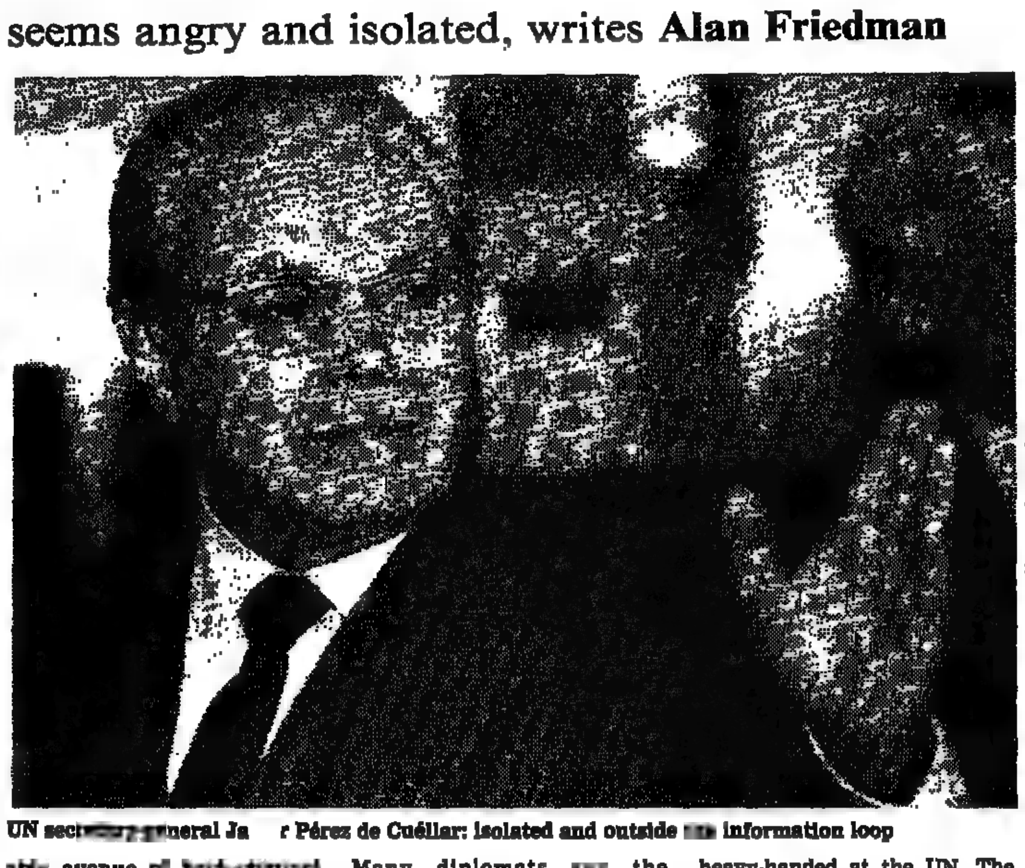
Pérez de Cuéllar seems angry and isolated, writes Alan Friedman

THE United [redacted] retary-general looks a most unhappy man.

While allied generals, [redacted] ministers and heads of [redacted] timing of a ground war in [redacted] Gulf and Iraqi president [redacted] Hussein plots strategy, Mr Javier Pérez de Cuéllar sits in his 38th floor [redacted] UN headquarters, [redacted] lonely and frustrated figure.

The Peruvian-born UN chief seems [redacted] and angry. [redacted] has spoken by telephone with [redacted] president George Bush a [redacted] and [redacted] occasional briefings [redacted] Mr Tom Pickering, the US career diplomat who serves as ambassador to the UN.

For the [redacted] part, however, he spends his time worrying about civilian casualties, receiving [redacted] and presiding [redacted] informal Security Council meetings. [redacted] UN and other coalition ambassadors repeatedly [redacted] by North African [redacted] other self-styled peacemakers [redacted] have been seeking an open session [redacted] to negotiate [redacted] "pause for peace".



UN sec[redacted]general Ja[redacted]r Pérez de Cuéllar: isolated and outside [redacted] information loop

In the [redacted] of US policy makers, Mr [redacted] de Cuéllar is "isolated and outside the information loop". The same US officials [redacted] their cur[redacted] the UN as "holding the line" [redacted] variety of impromptu ceasefire proposals.

The peace talk at the UN has come largely from [redacted] tives of [redacted] Mahgreb [redacted] from Iran's delegation. But their proposals are considered non-starters by the coalition governments and [redacted] Mr Pérez de Cuéllar himself.

"The North Africans don't really have any [redacted] ideas," one leading [redacted] diplomat said. [redacted] they [redacted] to [redacted] speeches in open session [redacted] that these can [redacted] replayed [redacted] home, especially in [redacted] countries where public protests [redacted] taken place".

The behind-the-scenes diplomatic activity by Iran is a dif[redacted] matter. The offer by President Ali Akbar Hashemi Rafsanjani to mediate between Baghdad and Washington [redacted] downplayed, but not ignored by the US.

Washington [redacted] Iran's consultations, which have included Iraq, [redacted] and Saudi Arabia, to be a reasonable avenue [redacted] diplomacy as long as Iraq's unconditional withdrawal from Kuwait remains [redacted] non [redacted] further talks.

Iran itself is [redacted] as the only sure political [redacted] the [redacted]: the military capacity of its "eternal rival" is being damaged systematically.

[redacted] Mr [redacted] war on Iran [redacted] is eventually toppled or killed, this could only benefit Iran. In any case the more [redacted] and constructive the Iranians appear to be, the more plausible will be their claim to a seat at the post-war negotiating table.

Mr [redacted] Cuéllar [redacted] with the reluctance [redacted] some to allow [redacted] mediation.

"The UN resolution [redacted] all appropriate measures should be taken to force Iraq out of [redacted] includes enforcement by military means, but [redacted] exclude diplomacy."

Negotiations, says the UN secretary-general, "are indispensable, [redacted] while [redacted] fighting continues".

The problem of interpreting [redacted] UN [redacted] actually permit [redacted] growing discussion [redacted] defining [redacted] US-led coalition's [redacted] aims. Many diplomats [redacted] the removal of Mr Saddam is Washington's hidden "bottom line".

Moreover, [redacted] is growing over what [redacted] do if Iraq is [redacted] from Kuwait, but Mr [redacted] remains in [redacted]

Mr Pérez de Cuéllar is less than clear [redacted] this eventuality. He says he is planning [redacted] some kind [redacted] post-war UN peacekee[redacted] role in the region [redacted] maintains that once Iraq is [redacted] Kuwait the UN's resolution will [redacted] fulfilled. If Baghdad continues [redacted] menace [redacted] neighbours, however, that [redacted] "aggression under [redacted] UN charter, which is a different problem".

[redacted] diplomats [redacted] that, [redacted] its part, Baghdad [redacted] been trying [redacted] embarrass Mr [redacted] Cuéllar, who [redacted] said [redacted] believe privately [redacted] the US has been [redacted] than subtle in [redacted] resolutions against Iraq.

Last week, for example, Iraq's UN representative asked [redacted] secretary-general [redacted] public a transcript [redacted] his January 12 meeting with Mr [redacted] dam, in which [redacted] UN chief is supposed [redacted] agreed [redacted] the US [redacted] being heavy-handed at the UN. The UN is resisting Iraq's request, but Baghdad may disclose the transcript unilaterally.

This matter [redacted] seem minor, [redacted] opens the question [redacted] whether the UN – where Mr [redacted] once served as US ambassador – has been merely [redacted] convenient cover for [redacted] military [redacted]

The big test [redacted] UN's [redacted] *says one* [redacted] tion diplomat, will come [redacted] the fighting [redacted] *will concern* [redacted] *willingness* [redacted] Washington to allow Arab-Israeli talks to be conducted under a UN umbrella.

Pressure in this direction [redacted] coming from [redacted] Soviets, the [redacted] and the British delegations, but it remains anathema [redacted] and [redacted]

Third World diplomats [redacted] particularly [redacted] about the [redacted] the UN, [redacted] a good number remain sceptical about Mr Bush's concept of a "new world order".

Some of these, seated in the delegates' lounge, grumble [redacted] this supposed new order [redacted] merely a euphemism [redacted] Pax Americana.

Thomson unveils [redacted] HDTV set for Europe

By William Dawkins in Paris

THOMSON Consumer *Electronics (TCE), the French* state-owned television manufacturer, yesterday launched *its long-awaited advanced set,* aimed at keeping Europe [redacted] the race to develop high definition [redacted] (HDTV).

TCE and the French government have heralded the *FFr35,000* [redacted] an important [redacted] out-manoeuvring Japanese compe*tition for the world market for* HDTV, estimated to be worth Ecu10bn ($13.8bn) a year by *the end of the decade. Televi*[redacted] for [redacted] cent of TCE's FFr37bn annual sales.

The [redacted] had been met with reluctance by retailers to stock the new product during a slowdown in consumer spending and yesterday's launch was more than [redacted] month late.

Technical problems also had [redacted] resolved on the [redacted] French satellites that transmit [redacted] European advanced [redacted] standard, D2-Mac, which the new set requires if it is to be seen in full quality.

Although the new [redacted] is not [redacted] fully fledged high definition receiver, its screen will have 1,250 horizontal lines, [redacted] as many as on existing European sets. It is also wider than sets in use. It will [redacted] and those [redacted] ted in [redacted] system midway between the existing standard and Europe's proposed HDTV system.

The company has invested FFr1bn in bringing the new sets into production. It has earmarked FFr9bn overall - of which FFr3bn comes from the government - on developing a set based on HD-Mac, the full European HDTV standard due to supersede D2-Mac by 1995.

TCE aims to launch the set in Germany, Britain and Italy in the early summer, in time to go on sale in September, by which time Philips, the Dutch electronics group, is expected [redacted] launched [redacted] version.

The US is expected to choose its own standard by [redacted] from five systems on offer, one of which [redacted] being developed by a consortium embracing TCE and Philips.

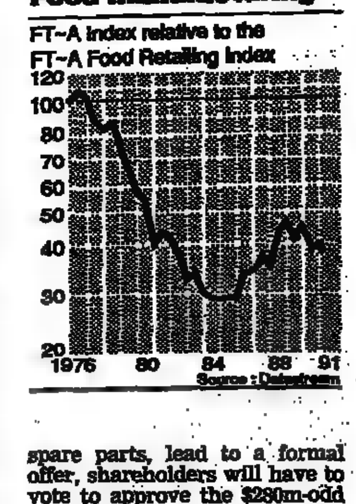
THE LEX COLUMN

The waning appeal of food

The UK market's concept of *defensive* [redacted] is becoming [redacted] more narrowly defined. Food manufacturing *might be thought* a classically recession-proof industry. However, the sector relative to the market is now *precisely* where it was eighteen months ago. Yesterday's interim figures from Dalgety, showing a mere 1 per cent rise in earnings and a held dividend, help explain why.

At the start of the 1980s, according to the brokers Henderson Crosthwaite, *margins in* the UK's domestic food industry were under 5 per cent. By *1988 they* were 8 per cent. Then the improvement petered out again. Partly, this was a cycli*cal effect common* to UK manu[redacted]cturing [redacted] whole. But it also had much to do with the balance of power between manufacturer and retailer. In the mid-1980s the seemingly inexorable advance of the retailer was momentarily checked. But [redacted] revived profitability [redacted] manufacturing then attracted a host of powerful new competitors: Pepsico in snacks, BSN in biscuits, Mars in [redacted] cream. From 1988 onwards, as margins flattened, [redacted] the manufactur[redacted] prices underper[redacted]med the retailers' [redacted]

The [redacted] as well as retailers plainly leaves [redacted] smallish operator [redacted] Dalgety exposed, especially [redacted] lacks [redacted] main businesses. But it is risky to generalise. In some of Dalgety's sectors, such as pet foods and snacks, oligopoly looks well enough established for margins to be protected in the foreseeable future. And if the prospect of unchanged profits and dividends for the full year looks unexciting, it is *subject to very little variation* either way. [redacted] yesterday's 370p, Dalgety [redacted] on 10 times [redacted] prospective yield of perhaps 6.5 per cent. That could look a good deal *more attractive* [redacted] *the results* season proceeds. Whatever [redacted] pressures on the food manufac*turers, the effects have the* great advantage of being relatively predictable.



Mountleigh

Shareholders will no doubt be tempted to ask why Mountleigh is thinking about acquir[redacted] an [redacted] US company [redacted] promised [redacted] European deal and has more pressing day-to-day problems within *its* existing businesses. If discussions with Fairchild Corporation, an industrial group which makes aircraft fastenings and spare parts, lead to a formal offer, shareholders will have to vote to approve the $280m-odd deal. That is small change against recent talk of a £1bn bid. But investors might choose to question the merits of taking on Fairchild's $550m [redacted] long-term debt, raising Mountleigh's gearing from 80 per cent [redacted] around 130 per cent.

They might also feel there is little to be gained from such a rag-bag [redacted] businesses, unless Fairchild [redacted] deceptively cash generative [redacted] plan [redacted] to strip [redacted] its unproductive [redacted] Most shareholders would probably prefer a better performance from Galerías Pre[redacted] in Spain and a continuing clean-up [redacted] the UK [redacted] portfolio. They could now have a rare opportunity to say [redacted]

Eurotunnel

The market may be looking for an excuse to sell Eurotunnel. After all, the shares have outperformed by almost 50 per cent since early December and could prove less exciting than more [redacted] sensitive stocks if current bullishness persists. But there seems little justification for yesterday's 13p fall on speculation that Eurotunnel's costs are again set to increase. [redacted] of who pays [redacted] for delays was *always likely* [redacted] *be decided by* outside arbitration rather than the internal [redacted] panel. And the [redacted] still insists that contractors' claims are covered [redacted] its [redacted] base *costs and its £239m project contingency fund.*

Given what they have had to [redacted] so far, [redacted] shareholders are bound to be jumpy [redacted] any [redacted] mention of cost overruns. [redacted] the fundamentals [redacted] the same: reducing [redacted] for what remains of the construction stage, and thereafter a range [redacted] unproveable assumptions on tariffs, interest rates and traffic volume. The trick for those on the roller-coaster will be to read the market's perceptions as they change.

Markets

If a cut in UK base rates this week was ever on the cards, yesterday's producer price figures make it a lot less likely. It is perhaps unsurprising if manufacturers' experience of falling margins in the last quarter has made them bang up their list prices in January. If the increases do not stick, the effect will show through in coming months. But for now, the figure is sharply at odds with the supposed fall in core inflation. The renewed strength of the UK equity market is the more perplexing. It owes much to Wall Street, which is little more than 100 points off its all-time high. But even if Wall Street's behaviour [redacted] rational – which looks increasingly doubtful – it is less clear than ever why the UK market should respond to it.

Property

Whatever the bears may say, the commercial real estate market never seizes up entirely: not even when base rates are at 14 per cent, Britain is at war and London is under six inches of snow. Yesterday's Allsop property auction suggests that there are two games – but only two – that investors really want to play at the moment: supermarkets, and some provincial shops in such locations as nice towns in the [redacted] a Kwik Save store in Surrey went for £2.15m and that of a 10-year-old Tesco outlet in the West Midlands for £3.52m. And though the yields in each case were close to 12 per cent, the important point is that both sold easily and that these are large sums to plonk down on single lots in a sale-room.

Equally interesting were the things that did not sell or which went at what looked like rock-bottom prices. Two nearly-new industrial units near Gatwick Airport only sold on yields of 14.2 per cent. An empty Grade 2 listed office building near St Paul's, the sort of thing owner occupiers would have snapped up in the bull market, did not sell at all. Neither did a parade of shops in Chelsea, which must say something about the impact the uniform business rate has had on retail property values in the West End.

USAir and BA to cut jobs

Continued from Page 1

and Trans World Airways, [redacted] *two US carriers currently* [redacted] ing the New York-Heathrow route, [redacted] match [redacted] discounts.

[redacted] *unions* [redacted] it [redacted] seeking [redacted] job [redacted] in [redacted] UK through early retirement and voluntary [redacted] and additional 300 job [redacted] in [redacted] operations.

A [redacted] 2,000 employees [redacted] stood [redacted] on half [redacted] and will be recalled when business improves.

[redacted] said [redacted] unions had given their support [redacted] company's [redacted] reduction programme which had been forced upon the company because of what it said were "exceptional circumstances created by [redacted] Gulf war and the deepening worldwide recession".

BA hopes t[redacted] implement the job reduction programme as quickly [redacted] possible. It hopes to reduce 2,500 jobs by the end of next month and a further 2,100 as [redacted] as possible thereafter. It [redacted] hopes to achieve the [redacted] by voluntary retire[redacted] or voluntary severance.

Former Russian finance chief joins EBRD

By Peter Norman, Economics Correspondent, in London

MR BORIS FEDOROV, [redacted] former minister [redacted] finance of the Russian Federation, [redacted] join [redacted] European Bank [redacted] Reconstruction and Development [redacted] of department, [redacted] was learned yesterday.

Mr Fedorov, [redacted] will [redacted] 33 tomorrow, is [redacted] most senior Soviet citizen so far [redacted] be recruited [redacted] the EBRD, which is being set up in London by 40 nations together with the European Commission and [redacted] European Investment Bank [redacted] help the former Communist countries of eastern Europe [redacted] market economies.

[redacted] minister [redacted] the Russian Federation between [redacted] 1990 [redacted] January [redacted] when [redacted] resigned from Mr [redacted] Yeltsin's government. [redacted] government did not understand, [redacted] was therefore incapable [redacted] implementing, [redacted] transition [redacted] the time, Mr [redacted] was the [redacted] ing economic reformer [redacted] quit the Russian government, after [redacted] resignation [redacted] Mr Grigory Yavlinsky, [redacted] deputy prime minister.

[redacted] Fedorov was [redacted] leading member [redacted] which [redacted] the [redacted] Federation's 500-day plan [redacted] transition to a market economy. [redacted] was [redacted] main promotor [redacted] plans [redacted] up [redacted] Soviet Union's [redacted] exchange [redacted] regarded [redacted] one of [redacted] serious [redacted] knowledgeable [redacted] on questions concerning the [redacted] financial and capital [redacted] his [redacted] from the [redacted] Department [redacted] Moscow [redacted] University [redacted] entitled "Financial Futures [redacted] Options Trading". Mr Fedorov has had some personal experience [redacted] market [redacted] a visiting researcher at Glasgow University in 1989 [redacted] was [redacted] key member [redacted] a delegation from the [redacted] Federation to visit the annual meetings of the IMF and World Bank in Washington last [redacted]

Kohl backs Major over pace of monetary integration

Continued from Page 1

was at pains [redacted] Germany's backing for the Gulf forces.

He said Bonn was ready [redacted] contributions [redacted] the [redacted] the British forces involved beyond [redacted] ($537m) it [redacted] already pledged.

Pointing out [redacted] the money, agreed for the first three months of the year, might have [redacted] if the fighting dragged on, Mr Kohl said: "Solidarity is not something which can [redacted] according to [redacted] calendar month."

The chancellor said [redacted] soldiers in the US-led coalition [redacted] carrying [redacted] "difficult and important task [redacted] behalf [redacted] the world community". Mr Kohl expressed "utmost support" for the troops and for their families at home.

Mr Major [redacted] firmly [redacted] ranks with Bonn [redacted] the war, saying [redacted] was "no difference in our [redacted] and objectives [redacted] Gulf conflict". Answering questions [redacted] press conference, Mr Major refused [redacted] comment on [redacted] the [redacted] objectives had now widened to the removal or killing of Iraqi president Saddam Hussein, saying Britain was still sticking to the United Nations resolution to [redacted] Kuwait.

In a reference to the growing problems in [redacted] Soviet Union, Mr Major said he had registered "a remarkable unanimity [redacted] views with Mr Kohl" over the need for President Mikhail [redacted]'s reform policies [redacted] continue.

WORLDWIDE WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	10	50	Berlin	C	-3	27	Caracas	F	35	95	Faro	F	13	55	Islamabad	C	14	57
Algiers	R	12	54	Biarritz	R	3	37	Casablanca	F	14	57	Florence	S	11	52	Istanbul	F	8	46
Amsterdam	Sn	-3	27	Bombay	S	30	86	Chicago	F	-7	19	Frankfurt	C	-3	27	Jakarta	R	31	88
[redacted]	S	16	61	Bordeaux	C	4	39	Cologne	Sn	-3	27	Geneva	S	-1	30	Jersey	C	4	39
[redacted]	-	-	-	Boulogne	F	[illegible]	34	Copenhagen	Sn	0	32	Gibraltar	F	14	57	Johannesburg	S	25	77
[redacted]	F	33	91	Brussels	C	[redacted]	28	Corfu	[redacted]	15	59	Glasgow	S	2	36	Lima	[redacted]	26	79
Barcelona	F	9	48	Budapest	Sn	0	32	Dallas	S	6	43	Helsinki	C	-11	12	Lisbon	F	9	48
Beirut	-	-	-	Buenos Aires	F	31	88	Dublin	Sn	0	32	Hong Kong	C	18	64	London	S	2	36
Belfast	F	1	34	Cairo	C	19	66	Dubrovnik	[redacted]	14	57	Innsbruck	S	-1	30	Los Angeles	S	12	54
[redacted]	F	9	48	Cape Town	S	30	86	Edinburgh	[redacted]	2	36	Inverness	Sn	1	34	Luxembourg	Sn	-3	27

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
Madeira	[redacted]	17	63	Milan	S	-1	30	Nicosia	F	17	63	Salzburg	S	0	32	Tenerife	C	19	66
Madrid	[redacted]	5	41	Montreal	Sn	-11	12	Oporto	S	9	48	San Francisco	C	11	52	Tokyo	C	13	55
Majorca	F	10	50	Moscow	Sn	-10	14	Oslo	Sn	-5	23	Seoul	[redacted]	[redacted]	37	Toronto	C	-8	18
Malaga	S	15	59	Munich	S	-1	30	Paris	C	1	[redacted]	[redacted]	F	30	86	Tunis	S	15	59
Malta	C	16	61	Nairobi	F	29	84	Peking	S	7	45	[redacted]holm	C	-5	23	Valencia	S	12	54
Manchester	S	1	34	Naples	C	14	57	Prague	S	-3	27	Strasbourg	C	-2	28	Venice	Fg	3	37
Manila	F	32	90	Nassau	F	25	77	Reykjavik	R	3	37	Sydney	C	[illegible]	[illegible]	[redacted]	C	0	32
Melbourne	F	19	66	New Delhi	-	-	-	Rhodes	S	17	63	Taipei	F	[redacted]	77	Warsaw	C	2	36
Mexico City	[redacted]	22	72	New York	S	1	34	Rio de Janeiro	C	39	102	Tangier	S	[redacted]	55	Washington	F	3	37
Miami	[redacted]	11	52	Nice	S	10	50	Rome	F	12	54	Tel Aviv	-	-	-	Zurich	F	-2	28

Temperatures at midday yesterday C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

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FINANCIAL TIMES
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INSIDE

Special charges hit ITT earnings

ITT, [redacted] US defence-to-insurance conglomerate, yesterday revealed [redacted] of special charges that produced a 67 per cent slump [redacted] net earnings for [redacted] fourth quarter to [redacted]. Fourth-quarter revenue [redacted] 7 [redacted] $5.5bn, while full-year [redacted] 3 [redacted] higher at $20.6bn. The [redacted] charges included provision [redacted] withdrawal from [redacted] insurance markets, [redacted] coal [redacted] and charges relating [redacted] environmental matters. Page 24

Mitsubishi looks for holding in Volvo Car

Mitsubishi Motors, the Japanese automotive group, [redacted] pursuing direct negotiations with [redacted] Dutch government [redacted] the aim [redacted] acquiring an equity [redacted] in Volvo Car BV, [redacted] Dutch car maker 70 per cent [redacted] by Dutch [redacted] interests and 30 per cent by Volvo, the Swedish [redacted] and truck producer. Page 23

Wyllie sells stake

Bill Wyllie, [redacted] 58-year old [redacted] businessman (left) [redacted] one of Asia's [redacted] company doctors, [redacted] selling his majority [redacted] in his four-year-old quoted Hong Kong property investment company, [redacted] Securities International. The deal, worth an [redacted] HK$700m [redacted] HK$800m ($102.5m) was [redacted] only [redacted] hours of negotiations with [redacted] Ming Tee, [redacted] 49-year old Malaysian-Chinese entrepreneur. Page 25

Capital idea from NatWest

Halls Homes & Gardens, [redacted] UK manufacturer of [redacted] improvement products, has [redacted] a new [redacted] injection [redacted] about £3.2m ($6.4m) [redacted] convinced [redacted] bankers, National Westminster, [redacted] convert £1.5m of [redacted] preference shares. Such conversions, [redacted] represent a [redacted] act [redacted] faith, [redacted] possible [redacted] that [redacted] banks in the UK are [redacted] to [redacted] industrial equity on to their books as [redacted] swap for bad loans. Page 22

US develops foreign appetite

US investors' appetite [redacted] foreign [redacted] has mushroomed [redacted] financial services companies creating [redacted] mutual [redacted] geared mainly at overseas investments. In the [redacted] five years, the amount of [redacted] management for international funds [redacted] from $1.95bn [redacted]. Many fund managers now see foreign markets as a means of maintaining high [redacted] of return. Barbara Durr in Chicago reports. Page 27

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)				**Falls**			
Rises				Amgen	77½	−	1½
Degussa	331	+	9	Boeing	51⅝	−	1⅛
Karstadt	556	+	7	General Motors	36⅞	−	½
Mannheim Vers	830	+	15	**PARIS (FFr)**			
Verein-West	298	+	8	**Rises**			
Falls				Accor	679	+	[redacted]
Hochtief	1150	−	23	Beghin-Say	658	+	[redacted]
Lahmeyer	955	−	15	CGIP	990	+	[redacted]
NEW YORK ($)				La Henin	480	+	[redacted]
Rises				Unibail	749	+	[redacted]
Proc & Gamble	83⅝	+	1⅜	**Falls**			
Synergen	27¼	+	⅝	Radiotech	393	−	7
Unilever	91⅞	+	2⅞				

New York prices as at 12.30pm. Tokyo Closed.

LONDON (Pence)				Rank Org.	678	+	21
Rises				Ratners	139	+	7
Ang. Sec. Homes	39	+	8	Royal Insce.	433	+	19
Brit. Airways	141	+	8½	Taylor Woodrow	253	+	13
CIA	93	+	10	Telfos	78	+	7
Creighton Nat.	160	+	10	Traf. House	225	+	11
Gen. Accident	534	+	30	Wickes	50	+	5
Hi-Tec	76	+	6	**Falls**			
Hunter Saphir	80	+	23	Elam	116	−	11
McCarthy & St.	61	+	5½	Eurotunnel	475	−	13
Next	27½	+	3	Halls Homes	14	−	2
Norex	129	+	11				
Psion	63	+	5				

Peltz: tentative move

Mountleigh considers Fairchild bid

By [redacted] Tait in [redacted] York

MOUNTLEIGH, the British [redacted] now run by [redacted] entrepreneurs, [redacted] and Peter May, [redacted] yesterday that [redacted] considering making [redacted] for The Fairchild Corporation, a Virginia-[redacted] variety of [redacted].

Mountleigh [redacted] "tentative", [redacted] price [redacted] plus [redacted] in preference shares [redacted] issued or guaranteed by Mountleigh. Fairchild, too, [redacted] the [redacted] as "highly conditional", [redacted] dependent on the "arrangement of an unspecified amount of debt and equity financing". It added it would discuss the approach when there was something firmer on the table.

If a deal goes ahead, it will bring together some colourful former clients of Drexel Burnham Lambert, the now-defunct US investment [redacted] alised in junk bond financing.

Fairchild – better [redacted] its former name, Banner Industries – is run by Mr Jeffrey Steiner, an Austrian-born financier and a friend of Mr Carl Icahn, one of the most prominent corporate raiders of the 1980s. The company's interests range from aerospace fasteners to tooling systems for the plastic injection moulding industry.

Mr Steiner, whose compensation from Fairchild totalled $6m last year, made a brief appearance on the UK corporate stage in 1988 when Banner launched a $250m bid for Avdel, a UK speciality fastener business. Avdel was eventually bought by Textron, the large US aerospace company, and Banner exited with a profit of several million pounds on its Avdel share stake.

Mr [redacted] personal [redacted] stake in [redacted] fully-diluted basis, is about 44.5 per cent, although the current [redacted] higher. Banner acquired Fairchild Industries, the [redacted] and [redacted] business, in mid-1989, although some [redacted] have now [redacted].

Mr [redacted] and Mr May, meanwhile, [redacted] in on Mountleigh in [redacted] 1989, buying a 22.5 per cent [redacted] from former chairman, Mr Tony [redacted]. They had built their reputations in the States, through [redacted] of Drexel-fi-[redacted] deals, which eventually [redacted] their Triangle company [redacted] trol [redacted] National [redacted] and then [redacted] Can. The [redacted] businessmen have [redacted] paths in the [redacted]. Some [redacted] ago, Tri-[redacted] held [redacted] small [redacted] in Banner, while Mr Steiner had an [redacted] in Central Jersey Industries, another Peltz company. "They know our [redacted] better than most," conceded Mr Steiner in New York yesterday, although he said there [redacted] now no cross-holdings.

Yesterday, Mountleigh was tight-lipped about the motives behind the possible bid. Mr Jeff Warren, [redacted] UK-based finance [redacted] declining to [redacted] on financing plans.

Lex, Page [redacted]

The Turin cloud

Fiat faces falling profits and [redacted] fierce assault by foreign producers on its home market, reports Haig Simonian

About [redacted] of [redacted] abandoned [redacted] this week, [redacted] plants [redacted] temporarily [redacted] in an [redacted]. But management [redacted] have [redacted] start thinking [redacted] leisure [redacted] keep [redacted] occupied [redacted] temporary lay-offs be required later this year.

Company executives are understandably gloomy about final figures, due in May, after announcing a 55 per cent drop in preliminary [redacted] profits for industrial [redacted] – [redacted] core [redacted].

Car industry analysts [redacted] already downgrading [redacted] profit [redacted] the Italian [redacted]. Margins [redacted] come [redacted] severe [redacted] and [redacted] company [redacted] competition [redacted] key [redacted] car [redacted].

[redacted] from analysts put [redacted] profits [redacted] L1,530bn ($1.4bn) [redacted] L2,000bn, compared [redacted] the group's [redacted] bonanza of L3,306bn. Some are even predicting a further halving of profits for 1991.

The group [redacted] recently announced a string of high-profile carmaking deals in Russia [redacted] eastern Europe [redacted] L5,000bn [redacted] in [redacted] Italy. But things look set to grow worse before they get better.

Preliminary operating earnings for Fiat's industrial activities, which accounted for almost 87 per cent of total group turnover of L56,400bn last year, fell to less than L200bn in the second half of 1990. This implies a massacre of margins in the group's carmaking activities, which accounted for L27,406bn of the L48,900bn total sales generated by industrial operations. For, apart from cars, Fiat's industrial side includes what should be fancy higher-margin [redacted] high-tech Comau factory [redacted] subsidiary and [redacted] parts [redacted].

The group will not comment on how low the margins on core businesses have sunk. It instead draws attention to difficulties being faced by other big carmakers as they struggle with falling demand and rising competition.

Industry estimates suggest that the big three US carmakers in particular have seen their margins fall below 1 per cent, while those on Japanese cars in Europe are believed to be in the 3.5 to 4 per cent range. Only Peugeot is thought to enjoy margins of about 5 per cent among volume producers.

Moreover, although Fiat's car sales fell by 150,000 units to 2.13m last year, it is still well above its break-even level of 1.6m. Even after this month's one-week stoppage – in what is probably the first taste of further temporary lay-offs – production is likely to remain well above break-even.

However, Fiat's position in the car business will remain difficult. The fundamental reasons for its [redacted] compared [redacted] some of [redacted] European rivals are clear.

The group is still [redacted] dependent [redacted] Italy, [redacted] well [redacted] 50 per [redacted] being made in the domestic [redacted]. But [redacted] is in decline and coming [redacted] unprecedented attack from foreign producers.

Fiat's problems are exacerbated by the fact that, unlike most big rivals, it has no car plants of its own outside Italy and its range is still aimed heavily towards relatively low-margin, small cars.

In Italy, total car sales in 1990 fell 0.6 per cent to 2.34m units. Within that smaller cake, Fiat group's share fell from 57.8 per cent in 1989 to 52.9 per cent.

The erosion in the overall market, and Fiat's share of it, was particularly marked in the second half of the year. By November and December, sales of Fiat group cars – which also include Alfa Romeo, Lancia and Ferrari – sank below 50 per cent. The situation deteriorated last month. In a market that surprised analysts by rising 1.6 per cent, the Fiat group's share fell [redacted] just 47 per cent – 6.8 per cent down on the same month last year.

Much of the damage to Fiat's position has come at the hands of Ford. Its small Fiesta model is a runaway success in Italy. Newer and more competitively priced than Fiat's Uno, the Fiesta has given Ford a rocket boost in Italy. Mr Massimo Ghenzer, chairman of Ford's Italian subsidiary, says the group's market share rose from 4.7 per cent in 1989 to 7.7 per cent.

The competitive pressure from Ford is unlikely to let up, given the severe downturn it faces in the UK.

How much money Ford is making on its keenly-priced Fiesta sales is uncertain. But it clearly intends to build on its success and is already pushing its new Escort and Orion ranges through heavy advertising.

German producers also prospered in Italy last year at Fiat's expense. Volkswagen's sales rose by more than 23 per cent, giving it 8.1 per cent of the market, while Opel group turnover grew by 8 per cent to give it a 4.3 per cent share.

Even the Japanese, who have traditionally faced severe curbs on direct sales to Italy, have seen an improvement. Japanese four-wheel drive, off-road vehicles – which are [redacted] subject [redacted] bilateral import [redacted] – have proved popular with Italian motorists.

Boosted by UK sourcing, Nissan's sales jumped by 116 per cent to almost 6,500 units last year, while Toyota rose by more than 51 per cent to 5,437. Nissan's extraordinary increase is partly attributed to the creation of a full dealership network last year. Although that implies growth may be slower, it also promises a much broader base from which to proceed.

Fiat's other big problem is the gap in its new model programme. Despite improvements to its established sellers, there is nothing big in the pipeline until the new Uno in early 1993.

Before then, the Micro, produced in Poland, will debut in Europe, probably early next year. But although it is a vast technological improvement on Fiat's bottom-of-the-range 126, it is not significant enough to reverse the slide in the company's fortunes.

The same can be said of the Croma, [redacted] revamped top model, and the Lancia's big Thema. The mid-range Tipo, Fiat's much-heralded competitor [redacted] the [redacted], was [redacted] a [redacted]pointment, failing [redacted] its expected [redacted] Italy.

Fiat's biggest challenge [redacted] to develop its [redacted] particularly the larger saloons, to [redacted] more effectively with [redacted] likes of Volkswagen and [redacted] Italy. [redacted] models, such as the big [redacted] 164 [redacted] the mid-[redacted] Lancia Dedra, [redacted] proved it can come up with winning formulae. But it will have to build on this success, [redacted] costs [redacted] quality across [redacted] board.

Gianni Agnelli must find a way to improve quality while cutting costs

Foster's Brewing falls 31% midway and cuts its dividend

By Kevin Brown in Sydney

[redacted] Brewing Group, formerly [redacted] IXL, yesterday [redacted] a [redacted] fall in interim net profits from A$154m (US$120m) to A$107m and cut [redacted] from [redacted].

[redacted] was [redacted] the lower [redacted] market expectations. It followed a [redacted] A$1.3bn for the [redacted] to last June, which, [redacted] time, [redacted] an Australian record. [redacted] board [redacted] dividend [redacted] a "prudent" [redacted] the [redacted].

Mr Peter Bartels, chief executive, said the result [redacted] tory", considering [redacted] difficult [redacted] environment in the six months [redacted] December, during which Australia [redacted] into [redacted]sion. "Despite worsening [redacted]nomic conditions, Foster's [redacted]ing Group [redacted] stabilised in line with [redacted] long-term [redacted]," Mr Bartels [redacted].

[redacted] disposing [redacted] non-[redacted] acquired by Mr John Elliott, [redacted] chairman and chief executive, [redacted] part of [redacted] planned restructuring around its Australian, [redacted] Canadian brewing interests.

Mr Elliott stepped down to become non-executive deputy chairman [redacted] but [redacted] chairman of Harlin Holdings, [redacted] private [redacted] controlled by [redacted] executives, which [redacted] 36 per [redacted].

[redacted] serious implications for Harlin, which is technically insolvent, and relies [redacted] income from Foster's [redacted] payments [redacted] of about [redacted] acquired [redacted] pur-[redacted] the [redacted].

Harlin restructured [redacted] Foster's [redacted] to [redacted] a full-year dividend [redacted]cated that future dividends would be equal to 75 per cent of earnings [redacted] share. The interim dividend [redacted] equivalent to 53 [redacted] cent of [redacted].

[redacted] board [redacted] confident [redacted] long-term prospects for [redacted] brewing operations, but warned that the deteriorating Australian economy would adversely affect the results of its pastoral business and attempts to write down the assets of its loss-making finance division.

The group said the underlying performance of the brewing division was strong. Profits from Foster's Carlton and United brewing operations in Australia increased 9 per cent to A$131m.

[redacted] European Commission yesterday [redacted] its approval [redacted] the pubs-for-breweries swap [redacted] Grand Metropolitan and Courage, [redacted] brewing [redacted] owned by Elders, although on [redacted] condition that the original terms of [redacted] were [redacted] restrictive.

[redacted] Commission agreed [redacted] the UK authorities that Courage should relinquish its position as exclusive beer supplier to the two groups' pubs within five years rather than 10 as demanded by the companies.

Carter Hawley enters Chapter 11

By Karen Zagor in [redacted] York

CARTER HAWLEY HALE, the [redacted] department store [redacted]pany in the [redacted] US, yesterday became [redacted] highly-leveraged US retailer [redacted] protection [redacted] under Chapter 11 of [redacted] bankruptcy code.

The company was yet another victim of liquidity problems stemming from falling consumer spending and [redacted] need to maintain in[redacted] payments on its [redacted] addition, [redacted] banking [redacted] shrunk the availability of bank credit, which made it difficult for [redacted] retailer [redacted] capital to [redacted] operating and [redacted] payment [redacted].

"We have now seen almost all of the highly-leveraged US retail chains file [redacted] Chapter 11," [redacted] Ms Stacy Dutton, a [redacted] industry analyst at Morgan Stanley. The [redacted] joins the ranks of Federated, [redacted] and Ames department stores, [redacted] have [redacted] bankruptcy in [redacted]. Only [redacted] week, Hills Department Stores, [redacted] fifth biggest US [redacted] chain, filed for Chapter 11.

R.H. Macy is now the only big, highly-leveraged department [redacted] operating [redacted] ruptcy [redacted] of a pending bankruptcy [redacted] recently quelled [redacted] pany issued new equity.

Carter Hawley's announcement was [redacted] surprising [redacted] plans to sell its credit-card operations and that its arrangements for a working capital facility had fallen through.

Mr Frederick Taylor, a high-yield analyst [redacted] Salomon Brothers [redacted] "Commercial banks are at a low point on their seasonal lines and it appears they do not want to go forward unless it's under debtor-in-possession financing," which [redacted] high-priority [redacted].

[redacted] Philip Hawley, [redacted] and chief executive, yesterday [redacted] financing [redacted] cal Bank, including [redacted] debtor-in-possession financing and [redacted] $550m [redacted] purchase facility.

(Continued on the following page.)

هكذا من الأجيل

Dalgety suffers 9.5% fall in earnings at half time

By Clay Harris, Consumer Industries Editor, in London

DALGETY, the UK food and [illegible] group, yesterday reported a 9.5 [illegible] cent fall in interim pre-tax profits to £51.7m ($102.7) from £57.1m.

Earnings per share rose to [illegible] 16.7p in the [illegible] months [illegible] December 31, and the interim dividend is unchanged [illegible] 7.15p. Dalgety shares rose 2p to 370p.

[illegible] flour-milling, [illegible] and petfoods [illegible] said trading profits from continuing activi[illegible] had risen 13 [illegible] cent [illegible] from £49.9m.

However, it lost the [illegible] previously contributed by Gill [illegible] Duffus, [illegible] commodities [illegible] sold in [illegible], [illegible] by Dalgety Farmers, the Australian farm services [illegible] pany in which it has cut its stake from 65 [illegible] 41 per [illegible].

The absence of these profits was partially offset by a decline in interest payable from £23.5m [illegible] £5.6m. Dalgety said gearing had fallen to 31 [illegible].

Dalgety's latest operating profits [illegible] flattered, however, because it excluded more than £1m in Australian losses [illegible] the stake is treated as an investment held for sale, and [illegible] a [illegible] sized trading loss in its US fresh produce [illegible] the line [illegible] part of [illegible] extraordinary provision.

Mr Maurice Warren, chief executive, said Dalgety hoped [illegible] sell the Australian stake by the end of 1991. It was also trying [illegible] the US produce operation.

Acquisitions accounted for more than £3m of the rise in trading profit, but exchange rate movements [illegible] £1.9m. Property profits fell to £0.4m (£4.2m). Sales fell to £1.95bn from £2.47m.

Two factors related to [illegible] Australian disposal enabled earnings to rise despite lower pre-tax profits. Tax fell from £18m [illegible] £13.5m, [illegible] there was no longer a minority interest (£1.5m in 1989-90).

Lex, [illegible] 20

Union Carbide plans share buyback

By Robert Gibbens in Montreal

UNION [illegible] of the [illegible] is offering to buy all 5.2m shares of its Canadian subsidiary it does not already own for C$99m [illegible] equal to $19 cash per share.

Union Carbide sold 25 per [illegible] of Union Carbide Canada stock [illegible] the public in 1964 at C$24 a share, the first foreign-owned subsidiary [illegible] respond to [illegible] programme of the then [illegible] finance minister, Mr [illegible] Gordon, to encourage domestic ownership [illegible] industry. The stock [illegible] split [illegible] in [illegible]

The [illegible] parent recently reorganised into three main busi[illegible] divisions. It [illegible] the [illegible] swings in the world chemical business justified [illegible] buy[illegible] of [illegible] minority holding [illegible] the Canadian subsidiary.

It first proposed [illegible] C$7-a-[illegible] distribution [illegible] Union Carbide Canada shareholders. Then the Canadian chemicals and plastics busi[illegible] would [illegible] been merged into the US parent and the remaining [illegible] industrial and medical [illegible] business would have continued [illegible] a 25 per cent public holding. However, [illegible] plan required a complex approval [illegible]

Now the parent [illegible] Canadian [illegible] owning 90 per [illegible] of [illegible] minority holding in Union Carbide Canada will tender [illegible] stock under the C$19-a-share cash offer. The [illegible] price [illegible] the last traded price of [illegible] a [illegible].

Mitsubishi seeks Dutch Volvo deal

By Kevin Done, Motor Industry Correspondent in London

MITSUBISHI [illegible], the Japanese automotive group, is in talks with [illegible] Dutch government in [illegible] hope of acquiring an equity stake in Volvo [illegible] BV, the [illegible] maker. The Dutch [illegible] is 70 [illegible] owned by state interests and 30 per cent by Volvo, the Swedish [illegible] and truck producer.

Mr Hirokazu [illegible] Mitsubishi president, spoke at [illegible] weekend with Mr Koos Andriessen, Dutch minister [illegible] economic affairs in the The Hague about forms of co-operation. Mr André Deleye, Volvo Car BV chairman, also attended [illegible] meeting.

The Dutch ministry of economic affairs said the negotiations with Mitsubishi would be resumed "in the near future".

Mitsubishi Motors has long been seeking a European partner with which to establish a car production venture in [illegible] ern Europe. [illegible] Toyota and Honda are all developing European car assembly plants.

Although Mitsubishi has been in talks for several [illegible] with Volvo, the negotiations have been complicated by the Swedish company's alliance with Renault [illegible] France, which has called for continuing controls on [illegible] car sales in [illegible] Europe.

At [illegible] time, Volvo itself began [illegible] last [illegible] with the Dutch government with a view to acquiring full control of its Dutch affiliate.

Those talks have been prolonged by disagreements over the valuation of the Dutch stake in Volvo Car BV. Meanwhile, the financial fortunes of both Volvo and Volvo Car BV have deteriorated.

Volvo Car BV plunged into a loss of Fl 75m ($45.8m) last year from a profit of Fl 55.1m in 1989.

The company, which makes Volvo's smaller 300 and 400 series cars, said its sales volume fell last year by 6.7 per cent to 118,750 from 127,212 in 1989, while production dropped by [illegible] per cent to 121,300 from 134,600 a year earlier.

The company has been hit badly by the steep fall in new car sales in the UK and Sweden, its two most important markets.

It said fierce price competition and heavy marketing costs had put it under pressure toward the end of last year.

The company, which was forced to close its Born production plant for 10 days late last year to cut stocks, has already closed the plant for another 10 days so far this year. Volvo Car BV said the present market outlook [illegible] "very unclear" and it would be forced to close the plant for a further 14 days in March-April.

Saint-Gobain curbs investment and staff

By William Dawkins

SAINT-GOBAIN, Europe's largest glassmaker, has [illegible] investment plans [illegible] curbed temporary staff contracts in [illegible] economic slowdown.

Mr [illegible] Beffa, [illegible] chairman, [illegible] fall in [illegible] sumer and industrial spending, intensified by [illegible] Gulf war, had affected [illegible] sales, mainly in glass, insulation [illegible] construc[illegible] divisions.

[illegible] fall from [illegible] ($1.19m at current [illegible] spent in 1990 and [illegible] would shift from enlarging capacity to improving productivity, he told the French financial [illegible] Echos.

Mr [illegible] said [illegible] in Saint-Gobain's markets could last until mid-1992, [illegible] expect any change in strategy. "The prime objective [illegible] to [illegible] market share," he [illegible].

[illegible] 23 per cent fall in net profits [illegible] year, [illegible] feeling [illegible] of [illegible] recession, which has [illegible] per [illegible] of [illegible] since [illegible] year's [illegible] acquisition [illegible] Norton, the industrial abrasives producer. Meanwhile, the dollar's fall made it harder [illegible] compete on price against [illegible] producers, especially [illegible] and wood and reinforcing fibres.

Saint-Gobain had already [illegible] around 100 job [illegible] in [illegible] overlapping administrative services of Certain Teed, its existing [illegible] branch, [illegible] Nor[illegible]

Banco Hispano slips 5.1%

By Peter Bruce in Madrid

BANCO Hispano Americano, the Spanish [illegible] bank, [illegible] consolidated net profits of Pta32.6bn ($356m) in 1990, 5.1 per [illegible] down on 1989.

Hispano [illegible] the only one [illegible] Spain's six biggest banks [illegible] report [illegible] drop in 1990 profits. The bank said this was due to an [illegible] group provisions, which rose 17.14 per cent.

Record profits at Hafslund

By Karen [illegible] in Oslo

HAFSLUND Nycomed, Norway's [illegible] publicly-quoted company, yesterday announced record prelimi[illegible] pre-tax profits [illegible] 1990 of NKr1.04bn [illegible] result was up 8 per cent against [illegible] last time.

The profits [illegible] by [illegible] NKr215m [illegible] of Hafslund Metall, the company's light [illegible] division, [illegible] a [illegible] in earnings from products [illegible] in radiology. [illegible] Nycomed [illegible] known [illegible] X-ray con[illegible] media.

Mr [illegible] Aaser, president, [illegible] was [illegible] and forecast an [illegible] in sales for 1991, largely because of acquisitions in 1990.

Sales last year jumped to NKr4.39bn from NKr2.97bn, including royalties which rose [illegible] NKr46m from NKr40m. Hafslund's imaging division, which produces Omnipaque, a non-ionic X-ray [illegible] which helps [illegible] produce [illegible] X-ray pictures with [illegible] effects, accounted for 41 per cent of [illegible] sales, or NKr1.79bn. The pharmaceuticals' division [illegible] with 22 [illegible] sales, or [illegible].

Operating profit, [illegible] research [illegible] development [illegible] costs, [illegible] by [illegible] per [illegible] to NKr1.09bn from NKr951m.

R&D costs rose 65 per cent in 1990, to NKr479m from NKr290m. This reflected increased activity in medical imaging diagnostics, which accounted for 55 per cent of the total, or NKr263m. The purchase in January 1990 of Austrian firm HN Pharma also affected R&D expenditure.

Hafslund was forced to write down its share portfolio by NKr29m, partly because of a fall in the US dollar. Part of the loss was offset, however, by other realised foreign exchange gains.

The board is proposing an increase in the dividend to NKr1.75 a share from NKr1.25.

Deutsche Bank urges support for Continental

DEUTSCHE BANK, Germany's biggest bank, is recommending that shareholders of Continental support the tyre company at next month's extraordinary general meeting called to vote on the merger proposal from Pirelli of Italy, writes Andrew Fisher in Frankfurt.

The bank, which holds 5 per cent of Continental's shares, has told customers with their stock deposited in Deutsche that a merger with Pirelli would not be in the interests of the German tyre maker.

Continental has said it expected the support of Deutsche, a manager of which, Mr Ulrich Weiss, heads the supervisory board of the tyre manufacturer.

Continental has rejected the approach of Pirelli, which says it is supported by the holders of 51 per cent of the German company's shares. The Italian group has not said how it intends to vote at the EGM on March 13.

Commerzbank, another big German bank, also recommends that its clients vote in line with the wishes of Continental's board and turn down the motion that the merger proposal be voted on at the July annual meeting.

This needs a 75 per cent majority, but Continental is counting on the support [illegible] banks, car companies such as Volkswagen, BMW, and Daimler-Benz, and other shareholders.

TV station's founder resigns

By Alice Rawsthorn in London

MR [illegible] Gatward, [illegible] controversial [illegible] of TVS Entertainment, [illegible] television company, yesterday resigned from [illegible] group [illegible] of wrangling with Mr Rudolph Agnew, [illegible] joined TVS [illegible] chairman [illegible] last year.

Sources close to [illegible] company said Mr Gatward, [illegible] chief executive [illegible] TVS group until Mr Agnew's arrival, handed in [illegible] resignation to [illegible] chairman early yesterday afternoon.

Mr Agnew is [illegible] been dissatisfied with [illegible] Gat[illegible] performance at running [illegible] Television, which is soon to reapply [illegible] its independent television franchise [illegible] southern England.

Under the [illegible] five-[illegible] rolling contract Mr Gatward, who is [illegible] salary [illegible] £250,000 [illegible] year, is entitled to compensation [illegible] on leaving TVS. However, Mr Agnew is expected to try to settle for a much lower sum.

The [illegible] of Mr Gatward's departure was made after the stock market closed and [illegible] late to [illegible] share price which [illegible] unchanged at 62p.

TVS is urgently trying to sell MTM, which produces Hill Street Blues, [illegible] the ITV franchise [illegible] this [illegible].

Mr Gatward was in Los Angeles last week trying to conclude the sale. Walt Disney has been mooted as a possible purchaser.

The MTM debacle plunged the TVS board into internal turmoil. Two non-executive directors, Mr John Elton and Baroness Sharp, resigned in mid-December.

A [illegible] later Mr Agnew, former chairman of Consoli[illegible] Goldfields, replaced Lord Boston as chairman at the behest of Schroders, TVS's merchant bank, together with Compagnie des Eaux and Canal Plus, its French shareholders.

Continued on Page 21

Notice of Redemption to the holders of

International Standard Electric Corporation

12% Sinking Fund Bonds Due 1996

NOTICE IS HEREBY GIVEN, that pursuant to the provisions of the Indenture dated 15th March, 1984 (the "Indenture"), between International Standard Electric Corporation and Bankers Trust Company, Trustee, that $12,268,000 principal amount has been selected by the Trustee for Redemption on 15th March, 1991 at the principal amount thereof in accordance with the Sinking Fund provided for in Section 3.06 of the Indenture.

The following are the serial numbers of the Bonds which will be redeemed in whole:

(Continued on the following page.)

(Continued from the preceding page.)

Accordingly, on 15th March, 1991 the Bonds [redacted] designated for redemption will become due. Payment will be made upon presentation and surrender thereof of the above Bonds [redacted] hundred per cent (100%) of the principal [redacted] thereof in United States Dollars, [redacted] the option of the holder, subject to any applicable laws or regulations in the country where each of the following offices are located, at the City Offices of Bankers Trust Company in London, [redacted] the main office of Bankers Trust Company in Paris, [redacted] the office of Bankers Trust GmbH in Frankfurt, [redacted] the office of Banque Indosuez Belgique Brussels, (formerly Banque du Benelux S.A. Brussels), at the office of Banque Générale du Luxembourg S.A. in Luxembourg or [redacted] the office of Swiss Bank Corporation Basle.

The redeemed Bonds should be presented with all Coupons maturing after 15th March, 1991. Coupons maturing [redacted] 15th March, 1991 and prior thereto should be detached and surrendered for payment in the usual manner. From and after 15th March, 1991 interest [redacted] redeemed Bonds will [redacted] to accrue.

International Standard Electric Corporation

By Bankers Trust Company, Trustee.

22nd January, 1991

Hasbro exceeds forecasts with 16% net advance

By [redacted] Zagor in New York

HASBRO, [redacted] biggest US toy maker, yesterday turned in stronger-than-expected fourth-quarter earnings.

Net income for the three months ended December [redacted] 16 [redacted] cent [redacted] $27.9m from $24m on revenues which advanced [redacted] per cent [redacted] $492.8m from $417m. Earnings per share increased [redacted] cents from [redacted] cents. There were fewer shares outstanding in the [redacted] quarter.

During [redacted] quarter, [redacted] company took [redacted] pre-tax charge of about [redacted] for possible losses from [redacted] customers. The charge increases provision for [redacted] to about [redacted]

[redacted] Alan Hassenfeld, chairman and chief executive, said domestic [redacted] exceeded Hasbro's expectations during [redacted] fourth quarter and [redacted] tional growth [redacted] substantial, in revenues and earnings.

The improved performance helped shares in [redacted] company rise $1¾ to $24¾ at midday yesterday on the New York [redacted] Exchange. The company [redacted] several disappointments with new products last year and recently cut [redacted] per cent of [redacted] corporate staff [redacted] reduce costs.

For the year, Hasbro's [redacted] income slid to $89.2m, or $1.54 a share, from $92.2m, or [redacted] year ago. Revenues rose [redacted] per cent [redacted] $1.52bn from $1.41bn.

Hasbro, which [redacted] industry in board [redacted] large dolls businesses, hopes to [redacted] domination of [redacted] US toy industry through the acquisition of Tonka Toys.

Special charges cut ITT to $84m in fourth quarter

By Alan [redacted] in New York

ITT, [redacted] US conglomerate with interests ranging from [redacted] insurance, yesterday disclosed [redacted] of special charges that resulted [redacted] 67.3 per [redacted] slump in [redacted] earnings for [redacted] quarter of [redacted].

The company's fourth-quarter [redacted] by 7 per cent [redacted], while full-year [redacted] were [redacted] higher [redacted]. ITT's [redacted] income for the [redacted] of 1990 [redacted] or [redacted] a share, [redacted] increase of 4 per cent.

The fourth-quarter charges – [redacted] reduced earnings per share [redacted] $1.79 to 65 [redacted] – [redacted] after-tax provision for restructuring and [redacted] various automobile [redacted] markets.

[redacted] quarter also saw [redacted] after-tax charge related [redacted] group's exit [redacted] coal business and its write-down on [redacted] holding in Carbon Industries.

Other fourth-quarter after-tax charges [redacted] $51m provi[redacted] for environmental matters relating [redacted] ITT's previously-closed Southern Wood Piedmont operation, [redacted] $71m provision [redacted] strengthen the [redacted] of [redacted] group's consumer small loan and real estate portfolios, and [redacted] provision tied [redacted] reorganising of [redacted] electromechanical components manufacturing facilities [redacted] the UK.

[redacted] Araskog, chairman, said [redacted] viewed the special charges [redacted] "necessary [redacted] prudent [redacted] this time" [redacted] they [redacted] have a [redacted] impact [redacted] future results.

Aside from the fourth-quarter charges, ITT's [redacted] by [redacted] third-quarter [redacted] after-tax charge for the write-off of ITT Sheraton mortgage loans [redacted] a hotel [redacted] erty [redacted] by [redacted] $139m [redacted] sale of a 7 per [redacted] stake [redacted] Alcatel of France.

ITT's automotive operations improved only modestly last year, [redacted] fluid technology division had flat earnings. Earnings dropped at the pulp [redacted] timber division and [redacted] in electronic components [redacted] of restructuring [redacted] volume and margins.

On Wall Street, ITT's [redacted] price [redacted] $1⅛ higher [redacted].

Young mining group goes for gold

Kenneth Gooding finds TVX aiming to join the producers' big league

THE [redacted] substantial gold mining [redacted] TVX Gold, [redacted] off to [redacted] flying [redacted] and hopes to profit from present [redacted] gold prices by growing [redacted] acquisitions. Mr [redacted] chief executive officer, suggests: "There might well [redacted] opportunities [redacted] pick [redacted] gold [redacted]ble prices."

TVX, [redacted] from [redacted] of Consolidated TVX [redacted] and [redacted] gold [redacted] of Inco, the world's largest [redacted], expects to pro[redacted] equivalent of 350,000 troy ounces [redacted] gold this year, rising [redacted] in [redacted].

Mr Robinson [redacted] "reasonable" for TVX [redacted] aim eventually to join the exclusive ranks of the 1m ounces-a-year producers.

TVX [redacted] very [redacted] tle debt and will have no difficulty raising [redacted] acquisitions [redacted] quickly, [redacted] points out. "We [redacted] equity [redacted] were] given [redacted] right opportunity, but we have [redacted] of [redacted] capacity."

[redacted] completion [redacted] on January 7 [redacted] year, TVX emerged with its shares, quoted [redacted] Toronto [redacted] Montreal exchanges, [redacted] each [redacted] market value [redacted].

Inco owns [redacted] per [redacted] company and, according [redacted] Robinson, has no [redacted]tention of reducing its stake. [redacted] led by [redacted] Batista, formerly chairman of [redacted] TVX [redacted] TVX Gold, [redacted] per cent. Of [redacted] outstanding [redacted] in public hands, [redacted] Canadians, one [redacted] by US institutions [redacted] one third by Europeans.

Mr Robinson [redacted] immediate priorities [redacted] TVX [redacted] US exchange because [redacted] tors prefer. However, investigations show that a quote on one of the European bourses would not be worth the cost.

Inco in the past did not sell forward any of its gold output, and Consolidated TVX also has [redacted] little forward selling. However, [redacted] company will "hedge a [redacted] proportion" [redacted] production, [redacted] Mr Robinson. [redacted] not while the gold price remains below US$400 an ounce.

With cash production costs forecast to be below US$200 an ounce, TVX is among the lowest-cost American producers, but Mr Robinson insists: "We are too financially conservative to leave ourselves open to vagaries of the gold market."

To those in the market who complain that producers like TVX are putting a "cap" on the gold price by selling forward every time it approaches $400, Mr Robinson replies: "We may be putting a cap on the price, but we are also putting a floor under our profits."

TVX [redacted] in [redacted] operating mines and [redacted] development properties in Canada, the US, Brazil and Chile. Mr Robinson says that the new company will [redacted] expansion in these countries and exploration will [redacted] restricted [redacted] around the TVX mines where there is still great potential. The [redacted] proven and probable gold reserves already exceed 7m ounces. An exploration budget has yet to be agreed but, in view of current gold market conditions, it will be relatively modest.

TVX is the biggest gold producer in Brazil, but all the mines in which it has interests are managed by other companies.

It owns 23 per cent of the Brasilia mine (150,000 ounces a year and operated by RTZ of the UK); 50 per cent of the Crixas mine (100,000 ounces a year, operated by the Anglo American Corporation of South Africa); and 49 per cent of Novo Astro (50,000 ounces a [redacted] operated by the Brazilian CMP group).

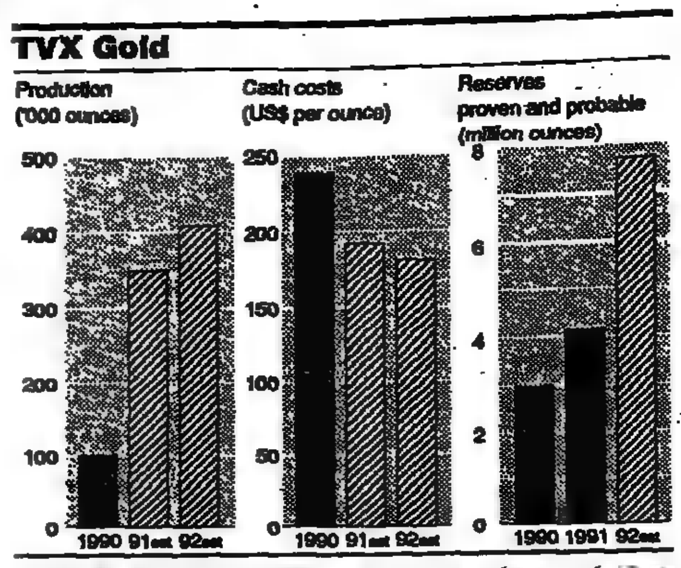
Mr Ian Telfer, executive vice-president of TVX and formerly president of Consolidated TVX, says the group remains optimistic about the prospects for Brazil and has no intention of reducing its interests there. The government's inflation-fighting plan has certainly had a negative impact on TVX's earnings, but the government [redacted] clearly shown it want[redacted] encourage investment by foreign companies and is permitting full remittance of dividends and interest.

Mr Telfer says he has some hope that TVX's half-owned La Coipa mine in Chile, expected to produce 400,000 ounces of gold [redacted] year when fully on stream, will come into production 60 days ahead of schedule and at about $30m below the original $250m budget. La Coipa, with 6m [redacted] of gold in its reserves and estimated cash production costs of only $156 an ounce, is scheduled to start up in July. It will be operated by Placer Dome, second-largest of the north American [redacted] producers and 50 per cent owner of La Coipa.

La Coipa was once owned by Consolidated Gold Fields of the UK but was sold for $30m plus royalties. The arrangement should ensure that Hanson, the Anglo-American conglomerate which took over Gold Fields, receives about $2m a year in royalty payments from La Coipa for at least the next 10 years.

Meanwhile, Mr Robinson says of TVX: "All our projects are running well and are in the hands of extremely competent operators. We will take some time to put the two businesses together but from the outset we can concentrate on going for growth."

TVX Gold



La Quinta Motor Inns will not discourage takeover

LA QUINTA [redacted] Inns, [redacted] Texas-based chain which effectively put [redacted] into play [redacted] month, [redacted] no action, with limited exception, [redacted] discourage a takeover before July 15, writes Karen Zagor [redacted] York.

The company has come under [redacted] two [redacted] its main investors – Sir Ron Brierley's IEP group and [redacted] investor [redacted] by Mr [redacted] and Mr [redacted] Bass, wealthy oilmen from Fort [redacted] family has [redacted] involved in [redacted] Taylor – about [redacted] company's proposed poison-pill [redacted] which [redacted] limit their respective stake [redacted] 15 per [redacted] level. [redacted] IEP [redacted] the [redacted] brothers' [redacted] already hold about 15 per [redacted] La Quinta's equity. The founding Barshop family owns about 19.5 per cent of the shares.

La Quinta said last week that the Bass brothers and Mr Taylor have agreed to vote their shares in favour of the election of La Quinta's slate of directors at the company's 1991 annual meeting. The Bass group "acknowledged their [redacted] for [redacted] company's efforts [redacted] evaluate financial and strategic opportunities that may be available to La Quinta to maximise shareholder value, including the possible sale of La Quinta".

La Quinta said it had amended its bylaws to give shareholders the right to call a special meeting and at that meeting to remove directors, with or without cause, and to elect directors to fill the vacancies. These rights run from May 17 1991 to June 30 1992.

Lac Minerals seeks rest of BIG

By Bernard Simon in Toronto

LAC MINERALS, the [redacted] gold producer, plans to acquire [redacted] 35.3 [redacted] in Colorado-based [redacted] International Gold which it does [redacted] already [redacted]. At the [redacted] time, the [redacted] writedowns totalling [redacted] over-valued [redacted].

Lac has [redacted] common shares [redacted] each [redacted] share, giving the [redacted] a value [redacted]. Bond [redacted] up [redacted] of independent directors [redacted] offer.

[redacted] bulk of the writedowns [redacted] to exploration [redacted]ties. The writedowns resulted in Lac suffering [redacted] $64.3m loss, or 53 cents a share, last year, compared with earnings of $30.5m, or 31 cents, in 1989.

Revenue rose to $459m from $186m, largely as [redacted] the purchase of the Bond inter[redacted] in [redacted] 1989. Gold output [redacted] just over 1m [redacted], compared with 809,000 ounces in 1989.

Lac bought its present interest in Bond [redacted] from Mr Alan Bond, the Australian financier, [redacted] $10 a share. The shares have recently been trading [redacted] around $4.

Bond operates five [redacted] mines in the US, Canada and Chile. A rising dependence on high-cost US mines has sharply raised its overall production costs in the past few years. The average 1990 cash cost of production was $244 per ounce, up from $209 per ounce a year earlier.

Lac also announced a shareholder rights plan [redacted] protect itself [redacted] a hostile takeover. The plan allows shareholders to acquire [redacted] 50 [redacted] price [redacted] unwelcome party bought more [redacted] 15 [redacted] of the company's shares.

Highveld books lower profits

By Philip Gawith in Johannesburg

HIGHVELD Steel [redacted] Vanadium, an Anglo American subsidiary, recorded sharply lower [redacted] in the year [redacted] December, but [redacted] poised [redacted] profit from the reopening of Euro[redacted] and US [redacted] of [redacted].

Following [redacted] formance, [redacted] to [redacted] and pre-tax [redacted] 65 [redacted] lower [redacted] compared [redacted] R566.1m. [redacted] Lesley Boyd, chairman, pointed out [redacted] results were [redacted] recorded.

More than 50 per [redacted] of Highveld's [redacted] come [redacted] exports and [redacted] profits [redacted] in all [redacted] main export [redacted] – steel, vanadium and ferro-alloys – [redacted] a firm currency. Mr Boyd said world [redacted] consumption had decreased by [redacted] 1 per [redacted] in [redacted] and production had been [redacted] lower [redacted] result [redacted] inventory reductions.

In export markets [redacted] been firm demand for long products, but flat products had been in [redacted]ersupply.

He [redacted] prices had [redacted] sharply owing to [redacted] 10 [redacted] fall [redacted] world consumption [redacted] oversupply, especially by South [redacted] producers. [redacted] Boyd said South [redacted] producers had [redacted] destroy their own market by bringing [redacted] production on stream. Highveld is considering beneficiating, [redacted] improving the grade of, [redacted] of [redacted] slag which it exports [redacted] raw form. [redacted] it made [redacted] add value locally. Capital expenditure [redacted] would [redacted] involved.

Mr Boyd said the prospects for [redacted] R3bn Columbus stainless steel project, a joint venture being pursued with ferrochrome producer [redacted] marginal, [redacted] the government's commitment to removing export and [redacted]. "We [redacted] have some very [redacted] the government. [redacted] sort of support from them, [redacted] questionable whether this project will [redacted] ahead."

Mr Boyd was optimistic that the lifting of sanctions, especially in the US and EC, augured well for Highveld. He pointed out that before sanctions both these markets, the country's [redacted] lucrative, [redacted] about [redacted] per year of [redacted] exports [redacted] South [redacted]. Highveld's [redacted] of this had been 20 to 25 per cent in the case of the US and under 20 per cent in the case of the EC. Mr Boyd said they were "very confident" of regaining these markets.

Earnings per share were 53.7 per cent down at 208.4 cents against 450 cents and the dividend was maintained at 70 cents per share. In 1989 a special dividend of 60 cents per share was also paid.

Continued on Page 31

ACIL turns in first half net loss of A$91m

By Kevin Brown in Sydney

AUSTRALIAN Consolidated Industries (ACIL), formerly Bell Resources, yesterday reported a [illegible] interim loss of [illegible] on turnover [illegible] A$50m for the half-year [illegible] the [illegible] December, compared with a [illegible] A$863m on turnover [illegible] A$974m for the [illegible] half [illegible] year.

[illegible] lower figures reflect [illegible] restructuring of ACIL as part of Mr Alan [illegible] Bond Corporation Holdings, formerly the parent company [illegible] Bell Resources.

Mr [illegible] Hill, ACIL chairman, [illegible] the current [illegible] was one of "consolidation, with restructuring of our equity, ownership and [illegible] base a priority".

ACIL's main [illegible] is [illegible] per cent [illegible] in National Brewing Holdings, formerly Bond Brewing Holdings, which it bought from Bond Corp [illegible] in [illegible] joint [illegible] Lion Nathan of [illegible] Zealand.

The [illegible] owns 31 [illegible] cent [illegible] Nine [illegible] Australia, also a former Bond Corp subsidiary, now [illegible] by [illegible] Kerry Packer's Consolidated [illegible] Holdings. ACIL's holding [illegible] shortly [illegible] be reduced to 21 per cent as part [illegible] a refinancing [illegible] the network.

Mr Hill [illegible] operating [illegible] brewery [illegible] had [illegible] "very encouraging". However, the [illegible] was after taking account [illegible] foreign exchange [illegible] and writing [illegible] A$83.5m due from Bond Corp.

ACIL has given [illegible] Corp 14 days, which expire on Thursday, to [illegible] a further A$433.5m [illegible] under an inter-company debt agreement struck [illegible] part [illegible] restructuring [illegible] Bond Corp.

ACIL also claims [illegible] Corp and its subsidiary Bell Group have broken an agreement [illegible] reduce their [illegible] holding in the [illegible] from [illegible] per [illegible] to [illegible] per [illegible] by the end [illegible] last [illegible]

Bond Corp [illegible] be placed in liquidation if it [illegible] repay its [illegible] to ACIL [illegible] ment on [illegible] compromise [illegible] posal by Thursday. Such [illegible] move would probably end [illegible] for equity [illegible] ment [illegible] drawn [illegible] by Bond Corp [illegible] its [illegible]

Mr Hill [illegible] that ACIL would [illegible] for [illegible] in the revamped Bond Corp, but that [illegible] reduce [illegible] proportion [illegible] Corp's [illegible] other [illegible]

Mr [illegible] Lucas, Bond Corp chairman [illegible] "hard [illegible] negotiations" [illegible] going [illegible] with ACIL, but it remained to [illegible] whether Bond Corp [illegible] to [illegible] a [illegible] to present [illegible] proposed [illegible] of arrangement to the Western Australia Supreme Court on Friday.

Mr Lucas said he was certain [illegible] of arrangement [illegible] eventually [illegible] presented [illegible] court, but [illegible] part or [illegible] will [illegible] in that, [illegible] hope [illegible] in [illegible] few days".

Profits rise for UMW on surge in car demand

By Lim Siong Hoon in Kuala Lumpur

UMW Holdings, [illegible] *Malaysian* car and heavy equipment maker, [illegible] reported [illegible] near doubling of pre-tax profits [illegible] M$196m [illegible] 1990 on [illegible] of M$1.93bn, up 37 per [illegible] from M$1.41bn in [illegible]

The improved [illegible] finan- [illegible] in [illegible] regain control of key [illegible] in [illegible] and UMW Toyota, [illegible] local [illegible] distributor of Toyota cars.

The reviving [illegible] UMW [illegible] boosted by [illegible] surge in [illegible] demand for [illegible] the group's [illegible] largest contributor [illegible]

Overall assembly production in [illegible] by 74 per [illegible] to 120,000 units [illegible] despite competition from cheaper [illegible] of Proton, [illegible] which controls [illegible] half [illegible]

UMW expects that [illegible] results [illegible] be [illegible] tory," [illegible] a [illegible] in 1990 after-tax profits of 100 per cent to M$135m. The group has proposed a final 7.5 cents a share dividend, bringing the year's total to 15 cents. There were no dividends in 1989.

Company doctor prescribes [illegible] rest cure

By John Elliott in Hong Kong

[illegible] BILL WYLLIE, [illegible] 58-year-old [illegible] and one [illegible] most colourful company doctors, [illegible] decided [illegible] sell his 57 per cent [illegible] in his four-year-old quoted Hong Kong property investment [illegible] national (ASIL), [illegible] an esti- [illegible] (US$102m) [illegible] only [illegible] negotiations.

A controlling interest of up to 34.5 [illegible] is being bought by [illegible] *Group*, [illegible] property [illegible] processing empire [illegible] by Mr [illegible] Ming Tee, a 49-year-old Malaysian-Chinese entrepreneur and [illegible] acquaintance of Mr Wyl- [illegible]

The two men met for [illegible] social lunch 11 days ago and Mr Lee said he might buy after Mr Wyllie talked about possible plans [illegible] ASIL private – plus [illegible] parallel, [illegible] probably incompatible, [illegible] play [illegible] golf [illegible] spend more [illegible] his [illegible] wife, Rhonda, who [illegible] married three [illegible]

[illegible] Wyllie immediately sent [illegible] of ASIL to Mr [illegible] and the [illegible] sewn up, [illegible] speed [illegible] typifies Hong Kong's [illegible] style, in [illegible] hours eight days [illegible] The [illegible] last [illegible] was [illegible] with finalising [illegible] obtaining stock exchange [illegible]

Last October, [illegible] reported an 18 per cent drop in after-tax profits to HK$113.4m for the first half of last year, partly caused by an absence of extraordinary items which had contributed HK$66m in the same period in the previous year.

But operating profits rose by 68 per cent to HK$111.3m on [illegible] 8 per cent up [illegible] include [illegible] 48 [illegible] in UWL, an Australia-listed *investment company*.

Born in Perth, Mr Wyllie rescued the BSR electronics company in the UK in the early 1980s. The best known of the companies he turned round before BSR was Hutchison Whampoa, now controlled by Mr Li Ka-shing, one of Hong Kong's top tycoons.

"We've [illegible] a number [illegible] nibbles [illegible] for [illegible] [illegible] and I've [illegible] because [illegible] good to get up in the morning and not [illegible] a [illegible] 12 hour working day," Mr Wyllie [illegible] last night.

He is thinking [illegible] "taking [illegible] off," partly [illegible] yacht, before [illegible] whether he [illegible] really retired [illegible] whether [illegible] deals.

Mr Wyllie [illegible] private company, Asia Securities, [illegible] currently [illegible] his interests [illegible] ASIL, and also [illegible] property invest- [illegible] in Australia [illegible] A$60m (US$47m) [illegible] in Hong Kong.

[illegible] losing [illegible] Hong Kong, and [illegible] rejected suggestions that [illegible] joined [illegible] ranks [illegible] companies.

"The [illegible] people entrepreneurs," he [illegible] "but [illegible] an [illegible] value – [illegible] are just financial promotors."

Bill [illegible] thinking of taking a year off before deciding whether [illegible] really has retired

Westmore, an Allied subsidiary, initially will buy a 23 per cent stake in ASIL for HK$2.80 a share – last Friday's closing price was HK$2.10. This will total HK$336m and will be paid by April next year.

Westmore *has options* on a further 11.5 per [illegible] for HK$168m, [illegible] it a potential controlling total [illegible] per cent, just [illegible] at which it would have to make a general [illegible]

[illegible] final 22.5 per cent will be placed with buyers by Mr Wyllie, or [illegible] on [illegible] market or put into [illegible] trust, yielding approximately HK$250m more at last week's closing price.

Mr Lee will become ASIL's executive chairman and Mr Wyllie will step down [illegible] become deputy chairman. Mr Christopher Fullerton will remain managing director.

Mr Lee said that Allied would use ASIL as "a [illegible] *investment vehicle to expand* its existing portfolio".

There would be some rationalisation of assets with Allied which had restructured itself over [illegible] past [illegible] four basic [illegible] – property investment, manufacturing, frozen food processing, and strategic [illegible]

In [illegible] Mr Lee [illegible] built [illegible] quoted Allied Group empire, which he controls through a [illegible] cent [illegible] to [illegible] point [illegible] it [illegible] of more than HK$4bn.

There are eight quoted [illegible] with [illegible] in Australia, Japan, Singapore, Malaysia, Indonesia, Taiwan and *China*.

Mr [illegible] style has [illegible] in [illegible] criticism from [illegible] number of quarters, including Hong Kong's Securities [illegible] Commission, which [illegible] him [illegible] breaching [illegible] takeover [illegible]

Allied censures MD for backing rival merger bid

By Philip Gawith in Johannesburg

THE BOARD [illegible] Allied, the South African building [illegible] has censured Mr Kevin de Villiers, *its managing director, for* taking sides in the contested battle for control of [illegible] group.

First National Bank (FNB) and a consortium led by United Building Society have both made [illegible] for Allied and whichever wins will form the country's largest financial services group.

Mr de Villiers has been outspoken in support of the FNB bid, an anomalous position given that the Allied board was party to four months' discussions which culminated in the United-led merger deal which Allied recommended to its *shareholders*.

Mr Norman Alborough, Allied's chairman, said in [illegible] statement to shareholders that Mr [illegible] Villiers had "despite requests and instructions . . . chosen to act in defiance of the Allied board".

He added: "Mr de Villiers does not speak on its behalf and these actions are prejudicial to the deliberations of Allied board members in the exercise of their fiduciary duties."

The statement said Mr de Villiers had been [illegible] and had agreed to abide by a board decision that [illegible] with the media, or any other party, [illegible] be strictly in accordance with board deci- [illegible] and directives.

Mr de Villiers was previously an employee of FNB and contends that an Allied/FNB merger would be the happier marriage of cultures.

UBS maintain that Allied would find it easier to merge with them given they are both building societies in origin.

FT GUIDE [redacted] WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday February 11, 1991. In some cases the rate is nominal. Market rates are the average of buying and selling rates except [redacted] they [redacted] shown to be otherwise. In some cases [redacted]rket rates have been calculated from those of foreign currencies to which they are tied.

COUNTRY		£ STG	US $	D-MARK	YEN (X 100)
[redacted]fghanistan	(Afghani)	99.25	49.6871	34.3722	38.9215
Albania	(Lek)	10.1366	5.0746	3.5105	3.9751
Algeria	(Dinar)	28.4629	14.2492	9.8572	11.1619
Andorra	(Fr Fr)	[redacted]	[redacted]	[redacted]	3.8598
	(Sp Peseta)	181.85	91.0387	[redacted]	71.3137
Angola	(Kwanza)	59.2745	29.6743	20.5279	23.2449
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Falkla[redacted] Is	(Falk £)	1.00	0.5006	0.3463	0.3921
Faroe Is	(Danish Kroner)	11.1600	[redacted]	[redacted]	4.3764
Fiji Is	(Fiji $)	[illegible]	[redacted]	[illegible]	1.1149
Finland	(Markka)	[redacted]	3.5266	2.4396	[redacted]
France	[redacted]	[redacted]	4.9274	[redacted]	[redacted]
Fr. [redacted]	[redacted]	[redacted]	246.373	[redacted]	[redacted]
Fr Guiana	(Local Fr)	9.8425	4.9274	3.4086	3.8598
Fr. Pacific Is	(CFP Fr)	175.00	87.6095	60.606	68.6274
Gabon	(CFA Fr)	492.13	246.373	170.435	[redacted]
[redacted]	(Dalasi)	[redacted]	[redacted]	5.0566	5.7256
[redacted]any	(D-Mark)	[redacted]	[redacted]	1	1.1323

COUNTRY		£ STG	US $	[redacted]	YEN (X 100)
Ghana	(Cedi)	680.00	340.426	235.498	266.667
Gibraltar	(Gib £)	1.00	0.5006	0 [redacted]	0.3921
Greece	(Drachma)	309[redacted]	154.984	107.214	121.404
Greenland	(Danish Krone)	11.1600	5.5869	3.8649	4.3764
Grenada	(E Carr $)	5.3798	2.6932	1.8631	2.1097
Guadaloupe	(Local Fr)	9.8425	4.9274	3.4086	3.8598
Guam	(US $)	1.9975	1	0.6917	0.7833
Guatemala	[redacted]	[redacted]	5.1261	3.5461	4.0154
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Namibia	(S A Rand)	5.0295	2.5178	1.7418	1.9723
Nauru Is	(Australian $)	2.5570	1.2801	0.8855	1.0027
Nepal	(Nepalese Rupee)	[redacted]	30.3239	20.9773	23.7537
[redacted]	(Guilder)	3.2525	1.6282	1.1264	1.2754
N'lnd Antilles	(A/Guilder)	3.5666	[redacted]	1.2351	1.3986
New Zealand	[redacted]	3.[redacted]	1.[redacted]	1.1458	1.2974
Nicaragua	(Cordoba)	8767000.0	438[redacted]	3036190	3438039
Niger Rep	(CFA Fr)	492.13	246.373	170.435	192.992
Nigeria	(Naira)	18.7295	9.3764	6.4864	7.3449
Norway	[redacted] Krone)	11.3250	5.6695	3.922	4.4411
Oman	[redacted] Omani)	0.7657	0.3833	0.2651	0.3002

[redacted]		£ STG	[redacted]	[redacted]	YEN (X 100)
Pakistan	(Pak Rupee)	43.60	21.8272	15.0995	17.098
Panama	(Balboa)	1.9975	1	0.6917	0.7833
Papua New Guinea	(Kina)	1.8769	0.9396	0.65	0.736
Paraguay	(Guarani)	2629.73	1316.51	910.729	1031.27
Peru	(New Sol)	1.0779	[redacted]	[redacted]	[redacted]
Philippines	(Peso)	53.00	26.5331	[redacted]	20.7843
Pitcairn Is	(£ Sterling)	1.00	0.5006	0.3463	[redacted]
	(NZ $)	[redacted]	[redacted]	1.1458	[redacted]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vietnam	(Dong)	14346.00	7[redacted]	49[redacted]	5625.88
Virgin Is-British	[redacted] $)	1.9975	1	[redacted]	[redacted]
Virgin Is-US	(US $)	1.9975	1	0.6917	0.7833
Western Samoa	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Yemen	[redacted]	24.0096	[redacted]	[redacted]	[redacted]
Yemen PDR	(Dinar)	0.9185	0.4598	[redacted]	[redacted]
Yugoslavia	(Dinar)	26.1170	13.0748	9.[redacted]	[redacted]
Zaire Rep	(Zaire)	3975.00	1989.99	1[redacted]	15[redacted]
Zambia	(Kwacha)	[redacted]	[redacted]	[redacted]	37.[redacted]
Zimbabwe	($)	[redacted]	[redacted]	1.8358	[redacted]

Special Drawing Rights February 8, 1991 United Kingdom £0.731921 United States $1.45323 Germany D Mark 2.12026 Japan Yen186.667
European Currency Unit Rates February 11, 1991 United Kingdom £0.706508 United States $1.40666 Germany D Mark 2.04528 Japan Yen179 [redacted]

[redacted] (a) Free [redacted] Banknote rate; [redacted]; [redacted] rate; [redacted] imports, [redacted] rate; (h) Exports, (i) Non commercial [redacted] (j) [redacted] rate; [redacted] Buying rate; (l) Luxury goods; (m) Market rate; (n) Public transaction rate; (o) Official rate, (p) preferential rate; (q) convertible rate; [redacted] parallel rate; (s) Selling rate. (t) T[redacted] rate (u) Currencies fixed against the US Dollar. &Kuwaiti Dinar unavailable. 'Iran Rial unavailable.
[redacted] data supplied by Bank of A[redacted] [redacted]nomics Department, London Trading Centre. Enquiries: [redacted]
Monday February 11, 1991

INTERNATIONAL CAPITAL MARKETS

Bonds advance [redacted] traders [redacted] anticipate further rate cut

By Patrick Harverson in New York and Tracy Corrigan in London

BOND prices maintained their steady climb upwards yesterday morning as [redacted] and investors [redacted] that economic indicators out [redacted] week would persuade the Federal [redacted] cut interest rates again.

At midday, the benchmark 30-year Treasury bond [redacted] up $\frac{1}{16}$ at [redacted] yield 7.938 per cent. The short end of the [redacted] was firmer, [redacted] two-year [redacted] bid up $\frac{1}{16}$ [redacted] 100$\frac{3}{16}$, yielding [redacted] per [redacted]

Investors are buying bonds [redacted]use they b[redacted] in[redacted] have further [redacted] fall. Tomorrow [redacted] sales for Jan[redacted] will be announced, [redacted] in sales [redacted]

On Friday, the producer [redacted] for January will be released, with December [redacted]chandise [redacted] figures, and January industrial production and capacity utilisation [redacted]

[redacted] market expects the [redacted]tistics [redacted] confirm that the [redacted]omy [redacted] still slowing and that [redacted] inflation [redacted] If this is the case, the Fed may [redacted] reduce borrowing [redacted] in a fortnight.

Fed [redacted] steadily [redacted] per cent after the [redacted] *arranged $2[redacted] of customer* repurcha[redacted] in an [redacted] *keep the rate from* [redacted] far above its target of [redacted] per cent.

[redacted] UK producer prices took [redacted] impetus out [redacted] week's gilt market rally, founded [redacted] expectations [redacted] UK [redacted] to be cut. [redacted] prices lost [redacted]lier gains [redacted] end little changed.

But [redacted] 1.2 per [redacted] in UK output prices, deal[redacted] confident that [redacted] reduction [redacted] the [redacted] in [redacted] short [redacted] medium [redacted] They drew comfort from contributory factors such [redacted] oil prices.

The [redacted] now closely [redacted] prices data, [redacted] released [redacted] Friday, according [redacted] Briscoe, [redacted] at Midland Montagu. He [redacted] fall in the annual inflation [redacted] 9 [redacted] from [redacted] per cent, and [redacted] figure [redacted] a further buying spree in the gilts [redacted]

[redacted] IN THE [redacted] bond [redacted]ket, prices ended slightly higher, but dealers [redacted] the market [redacted] now [redacted] for a [redacted]rection. "[redacted] market is overbought, and there are no retail [redacted] at this level," one dealer said. He added that international [redacted] dwindling too, and that when prices slipped from their highs, [redacted] that profit-takers [redacted] starting to move in.

[redacted] FRENCH government bond prices [redacted] ended [redacted] highs, up [redacted] ¼ point [redacted] Friday's [redacted] The short end [redacted] market [redacted] boosted by increasing confidence that the Bank of France would not have [redacted] rates in line with last month's [redacted]

[redacted] THE JAPANESE government bond market is [redacted] for a *National Foundation Day holiday.*

GOVERNMENT BONDS

BENCHMARK GOVERNMENT BONDS

		Coupon	[redacted] Date	[redacted]	Change	[redacted]	Week [redacted]	Month ago
UK GILTS		13.500	[redacted]	[redacted]	[redacted]	11.00	11.40	11.48
		9.000	03/00	93-28	-2/32	10.05	10.12	10.45
		9.000	10/08	[redacted]	[redacted]	[redacted]	[redacted]	10.11
US TREASURY *		7.750	02/01	98-26	+1/32	7.78	[redacted]	8.18
		7.875	02/21	[redacted]	+0/32	7.96	8.08	8.36
[redacted]	No 119	[redacted]	[redacted]	[redacted]	+0.123	[redacted]	[redacted]	8.80
	No 129	6.400	03/00	100.3174	+0.231	[redacted]	[redacted]	6.55
[redacted]		9.000	[redacted]	103.8700	+0.020	8.41	8.56	8.93
[redacted]	BTAN	[redacted]	[redacted]	98.3460	[redacted]	9.43	9.86	10.25
	OAT	[redacted]	[redacted]	102.1700	[redacted]	9.15	9.45	9.86
CANADA *		10.500	03/01	106.5750	+0.850	9.47	9.88	10.15
NETHERLANDS		9.250	11/00	[redacted]	[redacted]	[redacted]	8.86	[redacted]
[redacted]		[redacted]	07/00	109.9551	[redacted]	11.26	11[redacted]	[redacted]
[redacted]		[redacted]	08/00	[redacted]	[redacted]	[redacted]	[redacted]	9.69

[redacted], Ide[redacted] York morning session. Prices: [redacted] UK in [redacted] decimal. [redacted] market [redacted]

Technical Data/ATLAS Price Sources

Sydney seeks to attract investors

THE AUSTRALIAN [redacted] of New South Wales yesterday announced two [redacted] at encouraging the growth of Sydney as a financial centre in the [redacted] region, AP-DJ reports from Sydney.

Mr Nick Greiner, state premier, said [redacted] stamp duty tax on listed share transactions would be phased [redacted] a [redacted] of limited-liability partnership introduced to attract investors.

He said abolishing the stamp duty [redacted] share transactions [redacted] needed because other financial centres, including the UK, planned similar [redacted]

The Australian Stock Exchange says it loses up [redacted] per cent of trade in Australian shares to overseas exchanges because of extra costs [redacted] in the stamp duty.

[redacted] Wales, Australia's biggest state, plans to abolish the duty on buying shares from November and on selling shares by March 1993.

Stamp duties are state taxes in Australia, so other states must take similar steps or risk losing share trading in their cities.

The stock exchange welcomed Mr Greiner's announcement, saying that at 0.6 per cent on a total trade, the duty could double the cost of [redacted] large-share transaction.

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. *Latest prices at 8:10 pm on February 11*

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	101¼	102¼	+¼	7.92
ALBERTA PROVINCE 9 3/8 95	600	104¼	104¾	+¼	8.17
AUSTRIA 8 1/2 00	400	[redacted]	100¼	+¼	8.44
BANK OF TOKYO 8 3/8 96	[redacted]	98¾	99¼	+¼	[redacted]
BELGIUM 9 1/8 92	[redacted]	101¼	102¼	–⅛	[redacted]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GENERAL ELECTRIC 5 3/4 93	35000	96¾	97¼	+⅛	7.43
INTER AMER DEV 7 1/4 00	30000	103⅝	103⅞	+¼	6.71
ITALY 5 3/4 92	150000	98⅝	98⅞		7.19
KANSAI ELEC PWR 4 5/8 94	60000	93¼	93¾		7.08
NIPPON TEL & TEL 5 7/8 96	50000	96¼	96½	+⅛	6.69
NORWAY 5 1/8 95	50000	93⅞	[redacted]		6.87
SWEDEN 5 5/8 95	20000	95¼	95⅝	+⅛	6.88
WORLD BANK 6 3/4 00	50000	100¼	100¾		6.67

OTHER STRAIGHTS	Issued	Bid	[redacted]	Chg. day	Yield
AMRO BANK 6 1/4 92 FL	[redacted]	96½	[redacted]	–⅛	10.02
RABOBANK 5 3/4 93 FL	150	92¾	93⅛	–⅛	10.05
ALBERTA PROVINCE 10 92 C$	500	100⅛	100⅝	+⅛	9.72
BCE INC 9 5/8 93 C$	300	98¾	99¼	+⅛	10.31
BELL CANADA 10 5/8 99 C$	150	101¼	101¾	+⅛	10.39
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LAND SECS 6 3/4 02 £	200	6.8½	[redacted]	99¾	+10.38
MITSUBISHI BK 1 3/4 02	84	6.72	[redacted]	90¾	[redacted]
OGDEN 6 02	300	2727.1	104½	106¼	–1.08
PACIFIC DUNLOP 6 3/4 97	85	39.077	72¾	74¼	+29.41
TEXAS INSTRUMENTS 2 3/4 02	75	3.749	106½	108	[redacted]
THORN EMI 5 3/4 04 £	300	82¾	82½	83¾	[redacted]
	103	7.45	106¾	107¾	[redacted]

* No information available - previous day's price
[redacted] Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day = Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread = Margin above six-month [redacted] (three-month §above mean rate) for US dollars. C.cpn = The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed [redacted] issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Continued on Page 31

INTERNATIONAL CAPITAL MARKETS

Banco Central in novel issue

BANCO CENTRAL, the Spanish bank, yesterday broke ground by launching a novel form [illegible] near-equity capital into the international bond market, [illegible] Simon London.

The Ecu50m deal, [illegible] be priced tomorrow, offers investors [illegible] right to convert into Banco Central ordinary shares at a price [illegible] cent above [illegible] current share price. [illegible] an indicated coupon of 10-10¼ per [illegible].

However, unlike the near-equity convertible capital [illegible] which have been issued by some UK companies, conversion into equity is mandatory. Holders [illegible] bonds which [illegible] will receive redemption payments only in the form [illegible] shares at the fixed conversion price.

A representative of Merrill Lynch, which [illegible] managed the deal, described the issue as more akin to a deferred equity placement than a conventional convertible bond issue. Demand for the bonds was reported mainly from European institutional equity investors. For Banco Central, the bond issue will bolster "core" Tier I capital under the Basle rules on international bank capital adequacy.

The shares into which the bonds convert are held by a special subsidiary of Banco Central and are deducted from [illegible] capital under the Basle rules. However, the [illegible] are [illegible] deducted [illegible] capital [illegible] the bond [illegible] been made, effectively boosting the capital *resources* [illegible] *the bank. Coupon payments* [illegible] bonds will be [illegible] deductible [illegible] the issuer.

[illegible] end [illegible] the [illegible] financial year, Banco Central had an equity:assets ratio of more than 5 per cent. Under the Basle rules, international banks will have to achieve a target ratio of 4 per cent or more by March 1993.

However, [illegible] *capitalised* [illegible] following the [illegible] the [illegible] with [illegible] interest.

International Finance Corp $300m deal well received

By Simon London

THE SUPPLY of dollar-denominated paper continued in the international bond market yesterday with a [illegible] offering from the International *Finance Corporation.*

The seven-year [illegible] carrying an [illegible] per cent [illegible] was priced [illegible] a fixed [illegible] price of 99.84, for a yield spread of 49 [illegible] points [illegible] comparable [illegible] treasury [illegible].

The paper met firm demand, assisted by a maturity shorter than the $2.8bn of 10-year [illegible] lar paper launched last week. The [illegible] was bid [illegible] the fixed reoffer price of [illegible] in [illegible] were freed to trade. The lead manager was Deutsche Bank Capital [illegible].

[illegible] National capitalised on the bullish [illegible] bond [illegible] far [illegible] year with a FFr1bn deal, later increased [illegible] FFr1.5bn, [illegible] managed by Paribas Capital [illegible].

The five-year [illegible] a [illegible] of [illegible] per cent. At [illegible] reoffered price of 99.70, the spread [illegible] French [illegible] at [illegible] points.

However, French government [illegible] slipped [illegible] during the afternoon and the

INTERNATIONAL BONDS

Crédit [illegible] paper [illegible] suit, although [illegible] yield spread [illegible] maintained. [illegible] *afternoon* [illegible] *bonds* were quoted at [illegible].

Hydro [illegible] the Canadian [illegible] followed last [illegible] C$300m 10-year deal. The paper will be priced today by lead manager Merrill Lynch, at an indicated spread of 108 basis points over Canadian government bonds.

The European [illegible] Bank [illegible] the Belgian [illegible] with a BFr7bn issue [illegible] managed by Générale [illegible] Banque. The eight-year bearer [illegible] a [illegible] of 9¼ [illegible] was priced [illegible] 101.05.

The Belgian market [illegible] open [illegible] overseas investors, [illegible] no longer [illegible] withholding [illegible]. However, the number of [illegible] with [illegible] the market remains subject [illegible] strict government regulation.

[illegible] Des Chemins de Fer Francais (SNCF), [illegible] railway [illegible] *assigned* a Triple-A [illegible] rating by Moody's Investors Service, [illegible] US [illegible] ing agency.

The French government recently [illegible] explicit guarantee of future [illegible] issues. Moody's noted that [illegible] 100 per [illegible] under French law [illegible] bankrupt.

Liffe names Ecu bond futures brokers

By Tracy Corrigan

THE [illegible] International Financial Futures Exchange (Liffe) has assigned 11 [illegible] act as designated brokers [illegible] Ecu bond [illegible] contract, due to be launched next month.

These brokers are committed [illegible] *keeping* a *full-time* [illegible] in [illegible] bond pit for an initial period of [illegible] months [illegible] providing marketing [illegible] programmes for the [illegible].

The designated [illegible] are Bank of Tokyo Capital Markets, Cater Allen Futures, [illegible] Lyonnais [illegible] Daiwa Europe, [illegible] Witter Futures, GNI, [illegible] Bancario San Paolo di Torino, J.P. Morgan Futures, Nomura International, [illegible] Phillips [illegible] Drew, and Union [illegible] Futures.

The [illegible] of [illegible] rather [illegible] suggests [illegible] will [illegible] participation from the [illegible] of the [illegible] reasonable activity. [illegible] are [illegible] for contracts which [illegible] support, but [illegible] need prices [illegible] whole time," [illegible] Mr [illegible] Cooper, director of [illegible] at [illegible] Lyonnais [illegible] Matif, the French [illegible] exchange, [illegible] launched [illegible] first Ecu bond [illegible] contract [illegible] October, [illegible] the opposite [illegible] underlying [illegible] market was "not that mature," [illegible] official [illegible].

SocGen Ecu arm moves to London

SOCIETE Générale, [illegible] is [illegible] move most [illegible] its market-making operations in Ecu-denominated [illegible] London from Paris, Reuter reports from [illegible].

The [illegible] said market-making [illegible] OATs [illegible] continue [illegible] Paris but [illegible] business would be handled in London by its subsidiary Société Générale Strauss Turnbull.

French government [illegible] domestic securities and [illegible] franc [illegible] operations would remain in Paris.

US investors acquire foreign tastes

Barbara Durr examines the growing appeal of international securities

A[illegible] are acquiring a [illegible] investments. Financial services companies are creating [illegible] investing in foreign securities, [illegible] pension [illegible] are *putting* greater portions of their $1,900bn-worth of [illegible] in equi[illegible] abroad.

Mr David Hale, chief economist at Kemper Financial Services in Chicago, says stock in *US companies* [illegible] only a third of [illegible] equities world[illegible] "If you don't [illegible] foreign equities, you're missing [illegible] two-thirds [illegible] action."

Since 1985, according [illegible] figures from Lipper Analytical Services, [illegible] mutual funds, open-ended international funds have mush[illegible]. In [illegible] were [illegible] funds, [illegible] Lipper [illegible] as [illegible] primarily in securities [illegible] By [illegible] number had [illegible] including 19 [illegible] earmarked for Europe and 17 for the [illegible] Basin.

[illegible] for international [illegible] in the [illegible] September. Of the latter amount, $3.48bn was destined for Europe [illegible] $1.2bn for the [illegible].

Fidelity, the large US mutual [illegible] company, for instance, multiplied its international [illegible] offerings [illegible] one [illegible] $78.1m in [illegible] to 11 [illegible] $1.5bn [illegible].

[illegible] international *funds*, "global" funds have multiplied [illegible] number [illegible] resources. [illegible] funds [illegible] at least 25 per [illegible] in foreign securities, though they can also hold US securities. In 1985, Lipper counted 36 global funds, and in 1990, 44. The amounts under management more than doubled *from $5.71bn in September* 1985 to $12.43bn in September 1990.

[illegible] types of foreign investment funds [illegible] grown include gold-oriented funds, [illegible] place [illegible] 65 [illegible] *of portfolio in gold mine* shares, gold-mining finance houses, gold [illegible] bullion; [illegible] global flexible portfolio funds, which [illegible] investments across various assets, including foreign [illegible]. At [illegible] their portfolio [illegible] in [illegible] and gold-related [illegible] the US.

Closed-end trusts, [illegible] which [illegible] country funds, [illegible] similarly proliferated. [illegible] 50 are [illegible] now compared [illegible] three or four in [illegible].

[illegible] a [illegible] pension funds' investment intentions, Greenwich Associates, a Connecticut [illegible] research [illegible] consulting company, found that pension fund [illegible] intended to devote a larger chunk of [illegible] portfolios to foreign equities. Over [illegible] three years, [illegible] large [illegible] intend [illegible] their international investing from [illegible] per cent [illegible] their portfolios, or $87bn, [illegible] 7.7 per [illegible].

After having enjoyed the rise of the US markets in the 1980s, "a lot of funds are looking overseas to maintain high *returns*," *said* Mr Dennis Scannell, a consultant with Greenwich [illegible] said pension funds [illegible] calculating that return [illegible] international equities during the next three to five years would be 12.6 per cent, compared with 11.2 per [illegible] the [illegible] & Poor's 500, 9 per cent for US long-term bonds and 7.5 per cent for Treasury bills.

So pension funds are seeking specialist fund managers with international expertise.

'If you don't have foreign equities, you're missing about two-thirds of the action'

This is [illegible] sort of opportunity that Murray Johnstone, [illegible] fund [illegible] is jumping on. Since its joint venture with Chicago-based Kemper [illegible] in [illegible] Murray Johnstone has [illegible] office in Chicago and garnered $300m. It is the only Scottish investment firm in the US and the only non-bank British fund manager in Chicago.

It has attracted some foundation and pension fund monies and is handling Shearson Lehman Hutton's American Depositary Receipt [illegible] for wealthy individuals. It [illegible] its first international fund last year for the Phoenix insurance company of Connecticut.

Starting with just over $15m, the Phoenix fund last year outperformed all others in its category. All funds in the $25m-or-less category were down 13.1 per cent, while Phoenix's international fund fell 4.94 per cent.

Murray Johnstone helped Kemper test foreign waters in 1981, managing its international fund until Kemper felt [illegible] *it* [illegible] *enough in-house* expertise [illegible] proceed alone. Kemper officials now [illegible] they intend to [illegible] their once [illegible] domestic firm [illegible] interna[illegible].

In [illegible] years, Kemper [illegible] foreign investment funds of different [illegible] stable. The motivation for companies such as Kemper is not only to win the more promising returns of foreign investment, but to retain their clients. They must satisfy their customers' increasingly cosmopolitan tastes by placing international choices on the menu.

What started as an institutional investing trend has now spread to the retail trade, according to Mr Hale.

Taking advantage of America's growing foreign appetite, Mr Gavin Dobson, chief of Murray Johnstone's Chicago office, says that he aims to attract $1bn in US funds by the end of this year. He expects, for example, to begin a global fund for Carnegie Asset Management of Cleveland, Ohio, in March. And, he adds, "We're not pinching money from other people. It's a new market."

France leads the way with management buy-out deals

FRANCE is the continental European country most active in the area of management *buy-outs (MBO)*, according [illegible] Peat [illegible] McLintock study, writes [illegible] Lascelles.

A league table of deals since 1985 by the accountancy firm shows 29 in that country followed by Italy with 16 and Germany with 12. The UK, whose MBO industry swamps the rest of Europe – about 350 deals were performed there in 1989 – is not included.

UK-based firms were shown [illegible] active in leading continental [illegible] deals. [illegible] Ventures, [illegible] of the *Schroders merchant banking* group, [illegible] with 14 [illegible] a total value of [illegible].

Other [illegible] houses which figured prominently included Citicorp/Citibank, Candover Associates, Bankers Trust, Baring Capital Investors [illegible] 3i. Since [illegible] there have been [illegible] continental [illegible] worth [illegible] £10m, according [illegible] Marwick.

Mr [illegible] Beresford, [illegible] said [illegible] signs that London institutions [illegible] transplanting their skills into [illegible] financial [illegible] closer [illegible] national markets.

Although UK [illegible] in numbers, they [illegible] not responsible for the largest [illegible]. These came from French and Danish institutions, including LBO [illegible], Procuritas and SDS Sparekassen.

CONTINENTAL EUROPEAN MBO DEAL LEADERS

	[illegible]	Value £m	Average Size £m	[illegible]	[illegible]	Germany	Others
[illegible]	14	363	26	2	6	[illegible]	1
Citicorp/Citibank	[illegible]	[illegible]	41	[illegible]	5	[illegible]	[illegible]
[illegible]	8	[illegible]	67	8	-	-	-
[illegible]	7	[illegible]	[illegible]	5	-	1	1
Bankers Trust	6	[illegible]	56	-	[illegible]	-	4
Baring Capital Inv	5	322	64	[illegible]	-	1	-
[illegible]	5	102	20	5	-	-	-
[illegible]	4	83	21	2	-	-	2
[illegible]	3	65	22	-	-	3	-
[illegible]	3	449	150	-	-	-	[illegible]
[illegible] Sparekassen	3	151	50	-	-	-	[illegible]

Source: KPMG Peat Marwick [illegible]

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
International Fin.Corp(a)♦	300	8¼	99.84	1998	[illegible]	[illegible] Cap.Mkts.
ECUs						
Central International(b)‡	50	(10-10½)	100	1996	2½/1½	[illegible] Lynch Int.
FRENCH FRANCS						
Credit National(a)♦	1.5bn	9⅝	[illegible]	[illegible]	1⅝/1¼	[illegible] Capital Mkts.
BELGIAN FRANCS						
EIB(c)[illegible]	7bn	9¼	101.05	1999	1.35	Generale [illegible]

[illegible] ‡With equity [illegible]. †Floating [illegible]. ♦Final [illegible]. a) Non-callable. b) Issue is convertible into Banco Central ordinary shares, 40 days after launch at premium of 5%. [illegible] 1995 at 102¼%, 1996 at [illegible] 101¼% [illegible] 100½%.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

[illegible] The Financial Times Ltd 1990. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in [illegible] per section	Index No. (Mon Feb 11 1991)	Day's Change %	[illegible] Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	Fri Feb 8 Index No.	Thu Feb 7 Index No.	Wed Feb 6 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (187)	761.78	+2.2	14.03	6.31	8.68	0.67	745.11	740.67	727.15	874.75
2 Building Materials (25)	1051.98	+2.5	13.65	5.81	9.02	0.45	1026.71	1027.79	1010.65	1075.48
3 Contracting, Construction (31)	1176.47	+2.5	15.35	6.69	8.44	1.46	1147.40	1140.99	1117.61	1496.02
4 Electricals (10)	2058.27	+3.1	13.60	6.48	8.99	0.80	1996.65	1966.49	1911.69	2500.17
5 Electronics (25)	1647.90	+1.2	9.57	5.43	13.93	1.10	1629.11	1611.26	1589.64	1916.85
6 Engineering-Aerospace (8)	406.12	+2.1	16.52	6.01	7.27	0.86	397.80	389.03	383.50	434.09
7 Engineering-General (47)	369.11	+2.0	15.79	6.95	7.63	1.15	362.02	360.23	353.46	467.38
8 Metals and Metal Forming (8)	424.48	+1.9	21.49	8.11	5.74	0.00	416.67	412.36	401.99	467.56
9 Motors (13)	299.27	+3.0	16.64	8.04	7.00	0.00	290.42	287.85	280.92	361.94
10 Other Industrial Materials (20)	1347.47	+2.4	12.51	6.03	9.24	0.71	1315.50	1313.12	1290.01	1570.87
21 CONSUMER GROUP (182)	1292.60	+1.5	9.38	4.03	13.23	2.72	1273.01	1271.97	1252.35	1248.22
22 Brewers and Distillers (22)	1633.90	+1.3	9.95	3.81	12.38	7.47	1612.60	1615.32	1586.41	1446.10
25 *Food Manufacturing* (20)	1093.30	+1.8	10.52	4.39	11.71	1.66	1073.95	1075.08	1057.60	1096.93
26 Food Retailing (16)	2477.42	+0.9	8.62	3.14	15.14	3.15	2454.15	2452.26	2401.90	2268.21
27 Health and Household (21)	2764.80	+1.6	6.49	2.77	18.27	0.47	2721.37	2721.45	2690.95	2429.92
29 Hotels and Leisure (22)	1177.60	+1.4	11.73	5.82	10.09	0.86	1161.64	1164.82	1151.69	1575.06
30 Media (25)	1256.23	+1.4	11.63	5.42	10.86	7.81	1238.57	1252.30	1244.33	0.00
31 Packaging & Paper (11)	548.44	+2.5	9.59	6.26	12.77	0.30	535.17	531.48	527.62	573.12
34 Stores (34)	845.46	+1.9	10.05	4.32	12.95	1.67	829.46	818.48	799.89	779.17
35 *Textiles* (11)	419.01	+1.7	13.72	8.39	9.35	0.50	412.13	407.74	402.82	502.02
40 OTHER GROUPS (111)	1078.90	+1.2	11.95	5.55	10.12	2.51	1066.42	1065.87	1046.07	1172.00
41 Business Services (12)	936.32	+0.7	13.35	5.76	9.10	0.00	930.10	933.23	912.55	0.00
42 Chemicals (21)	1146.99	+1.0	12.40	6.22	9.52	0.63	1136.18	1130.03	1105.37	1200.10
43 Conglomerates (11)	1423.27	+2.9	12.06	7.24	9.88	6.83	1382.77	1373.50	1337.14	1604.35
44 Transport (15)	1894.17	+2.0	13.78	5.37	8.95	1.78	1856.39	1862.82	1844.18	2239.03
45 Electricity (12)	1132.94	+1.2	10.88	6.21	11.09	0.00	1119.94	1133.05	1105.10	0.00
46 Telephone Networks(3)	1218.26	+0.5	10.98	4.15	11.85	0.00	1212.73	1205.00	1164.50	1236.49
47 Water(10)	2463.27	+0.9	13.76	5.69	8.12	39.69	2440.25	2470.25	2449.13	1984.14
48 Miscellaneous (27)	1695.38	+0.7	11.12	5.34	10.47	1.22	1684.34	1691.12	1661.43	1875.28
49 INDUSTRIAL GROUP (480)	1097.83	+1.6	11.14	4.98	10.98	2.11	1080.94	1079.03	1060.69	1145.16
51 Oil & Gas (20)	2278.09	+0.9	9.82	5.60	13.30	7.42	2256.91	2272.89	2194.50	2391.30
59 500 SHARE INDEX (500)	1196.36	+1.5	10.96	5.06	11.26	2.52	1178.97	1178.36	1155.40	1248.64
61 FINANCIAL GROUP (98)	768.06	+1.9	–	6.20	–	1.00	753.87	749.16	733.00	819.86
62 Banks (9)	843.77	+1.1	18.88	6.88	6.93	1.61	834.50	820.34	796.25	863.83
65 Insurance (Life) (7)	1380.38	+2.5	–	5.56	–	0.00	1346.54	1362.24	1331.59	1358.81
66 Insurance (Composite) (6)	665.61	+3.2	–	6.42	–	0.00	644.73	646.36	629.85	687.13
67 Insurance (Brokers) (8)	1037.78	+2.2	7.13	6.21	18.38	2.15	1015.16	1010.25	996.28	1106.98
68 Merchant Banks (7)	374.71	+2.1	–	5.45	–	0.00	366.93	365.34	362.74	497.03
69 Property (41)	995.60	+1.6	6.67	4.72	20.56	0.90	979.62	975.70	968.91	1155.41
70 Other Financial (20)	253[illegible]	+2.2	9.93	7.07	12.72	1.60	247.54	246.26	244.45	330.11
71 Investment *Trusts* (69)	1043.63	+2.3	–	3.87	–	1.24	1019.81	1021.71	998.66	1215.74
99 ALL-SHARE INDEX (667)	1089.53	+1.6	–	5.20	–	2.14	1072.83	1071.46	1050.17	1145.18

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Feb 8	Feb 7	Feb 6	Feb 5	Feb 4	[illegible] ago
FT-SE 100 SHARE INDEX‡	2279.0	[illegible]	2280.9	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2172.4	2286.9

FIXED INTEREST

PRICE INDICES	Mon Feb 11	Day's change %	Fri Feb 8	Accrued interest	xd adj. 1991 to date
British Government					
1 Up to 5 years (28)	120.50	+0.08	120.41	1.87	1.23
2 5-15 years (31)	131.72	−0.03	131.96	1.82	1.94
3 Over 15 years (8)	140.74	−0.19	141.01	3.01	0.44
4 Irredeemables (6)	155.09	+0.08	154.97	2.93	0.00
5 All stocks (73)	130.56	−0.01	130.69	1.97	1.57
Index-Linked					
6 Up to 5 years (2)	158.52	+0.02	158.48	1.10	0.00
7 Over 5 years (10)	143.25	+0.04	143.19	0.51	0.70
8 All stocks (12)	144.29	+0.04	144.22	0.55	0.65
9 Debs & Loans (54)	106.96	+0.10	107.33	2.69	0.68

AVERAGE GROSS REDEMPTION YIELDS		Mon Feb 11	Fri Feb 8	Year ago (approx.)
British Government				
1 Low	5 years	9.49	9.49	10.75
2 Coupons	15 years	9.61	9.61	10.40
3 (0%-7¾%)	25 years	9.70	9.70	10.26
4 Medium	5 years	10.25	10.25	11.91
5 Coupons	15 years	9.99	9.96	10.77
6 (8%-10¾%)	25 years	9.90	9.86	10.58
7 High	5 years	10.41	10.40	12.03
8 Coupons	15 years	10.14	10.11	10.97
9 (11%-)	25 years	10.00	9.97	10.51
10 Irredeemables		9.94	9.94	10.32
Index-Linked				
11 Inflation rate 5%	Up to 5yrs	3.90	3.87	4.44
12 Inflation rate 5%	Over 5 yrs	4.21	4.21	3.85
13 Inflation rate 10%	Up to 5 yrs	2.58	2.54	3.57
14 Inflation rate 10%	Over 5 yrs	4.04	4.03	3.69
15 Debs &	5 years	12.47	12.41	13.27
16 Loans	15 years	12.14	12.11	12.75
17	25 years	11.84	11.84	12.75

‡Opening index 2252.5; 9 am 2253.9; 10 am 2268.2; 11 am 2268.6; [illegible] 2270.9; 1 pm 2272.9; 2 pm 2271.9; 2.30 pm 2270.2; 3 pm 2274.2; [illegible] pm 2280.7; (a) 4.11pm (b) 8.30am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, [illegible] Bridge, [illegible] 9HL. The FT-ACTUARIES SHARE INDICES SERVICE includes details of the information used in the construction of [illegible] indices. These are available by subscription from FINSTAT, 071-925 2323.

RISES AND FALLS YESTERDAY

	Rises	[illegible]	[illegible]
British Funds	14	35	37
Corporations, Dominion and Foreign Bonds	1	3	17
Industrials	612	111	833
Financial and Properties	389	37	326
Oils	26	17	[illegible]
Plantations	0	1	[illegible]
Mines	44	34	[illegible]
Others	77	28	37
Totals	1,163	266	1,395

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1990/91 High	1990/91 Low	Stock	Closing Price	+ or -	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
§100	F.P.	–	95	58	[illegible] 10p	58		–	–	–	–
–	F.P.	–	3825	3550	Eurotunnel [illegible] Wrnts	3575	-50	–	–	–	–
–	F.P.	–	90	90	JF Pacific (New Wrnts)	90		–	–	–	–
50	F.P.	–	45	43	[illegible] Tst.	44		–	–	–	–
–	F.P.	–	9	6	Do. Warrants	7		–	–	–	–

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1990/91 High	1990/91 Low	Stock	Closing Price £	+ or -
–	–	–	86	68	Brent Walker Capital 13pc Cr Cap Bd	78	-2
‡	P/P	29/11	30p	30p	‡Greenacre Group Cv. Rd. Prf. 70p	30p	
35	–	–	32½	29½	Grovewood Securities Exc Cv Ln 2000	32½	
100p	F.P.	–	103p	96p	[illegible]T Group 10¾pc Cnv. Red. Prf 1997	101p	
100p	F.P.	–	110p	97p	Worcester Cm Rd Cr Pf	101p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1990/91 High	1990/91 Low	Stock	Closing Price p	+ or -
197	[illegible]	[illegible]	42pm	37pm	Tesco 5p	[illegible]	[illegible]

[illegible]

TRADITIONAL OPTIONS

- First Dealings Feb. 4
- Last Dealings Feb. 15
- Last Declarations May 16
- For settlement May 28

For rate indications see end of London Share Service.

Calls in Babcock, C.H. Bailey ord. shares, Barratt Devs., Bellford Intl., Cookson, T. Cowie, Dares Ests., Medeva, Next, Oliver Res., Tesker Res. and Unitech. Put in Ratners.

LONDON TRADED OPTIONS

EQUITY INDEX [illegible] led the stock market higher yesterday [illegible] strong buying [illegible] by [illegible] speculation [illegible] a [illegible] in UK interest rates. In traded options, the FT-SE 100 index options continued [illegible] attraction in an [illegible] quiet session.

The March FT-SE 100 index [illegible] at a premium of [illegible] points [illegible] stage and prompted arbitrageurs to sell [illegible] buy the underlying securities.

March's premium to [illegible] index was gradually whittled [illegible] about [illegible] points. The [illegible] UK producer price figures, which led to worries about inflationary [illegible] selling.

There [illegible] also [illegible] day [illegible] arbitrageurs buying back March FT-SE positions and against that selling [illegible] institutions.

The equity market's strength [illegible] during [illegible] Wall Street opened firmly. This came despite [illegible] in the UK interest rate [illegible] market, [illegible] easing in the speculation about an imminent [illegible] cut.

March FT-SE [illegible] at 2,300, [illegible] 16 points on the day, [illegible] premium [illegible] index [illegible] at [illegible] points, compared with [illegible] value of about 8 points.

On the [illegible] automated pit [illegible] March [illegible] a point lower at 2,299.

In [illegible] options [illegible] dealing was more [illegible]. The FT-SE index commanded [illegible] greatest attention. The day's 7,907-lot turnover was evenly split [illegible] calls and puts. The [illegible] were the [illegible] larger [illegible] Barclays [illegible] Zoete Wedd bought [illegible] March [illegible] calls.

In Euro FT-SE one [illegible] 400 March [illegible] bought the same number [illegible] March [illegible] puts.

[illegible]

UK COMPANY NEWS

Compass pays £28m for three private hospitals

By Jane Fuller

COMPASS Group, the contract catering and healthcare company, has bought three private UK hospitals for up to [illegible] from a [illegible] group.

The hospitals last [illegible] made *only £14,000 profit on turnover* [illegible] £15.5m under the ownership of Universal Health Services. Compass [illegible] buying the 102-bed London Independent [illegible] Stepney Green, [illegible] Shirley [illegible] in Croydon and the 34-bed Paddocks in Buckinghamshire.

These three, plus one in Carmarthen bought from the receiver [illegible] month, [illegible] number of hospitals owned by Compass to 15, with about 600 beds. The [illegible] division contributed £9.7m [illegible] group operating profit of [illegible] in [illegible] to September [illegible].

Mr Francis Mackay, finance director, [illegible] purchases would [illegible] net [illegible] nearly £50m, compared with £36m at [illegible] begining of this month. Interest payments, however, [illegible] expected to fall from [illegible] to about £6.5m because of disposals and interest reduction through [illegible] fixed-rate deal.

Mr Mackay [illegible] there [illegible] *of improvement* to be [illegible] to the profitability [illegible] newly acquired hospitals. For instance, the London Independent's bed-occupancy rate [illegible] *only* [illegible] *per cent compared with* 64 per cent for the group's existing venues.

[illegible] said the acquisitions [illegible] expected to [illegible] their interest costs this year, although the extra turnover *would lower the division's* operating margins. [illegible] valued [illegible] £22m.

Initial payment [illegible] £13.2m. A further sum, between £12.5m and £14.5m, will be paid between December this year [illegible] December [illegible].

Wickes talks to banks after difficult trading

By John Thornhill

A *SHARP rise in the* [illegible] price of Wickes, the DIY *retailer, prompted the* [illegible] to announce that difficult trading conditions had resulted in it making [illegible] arrangements with its [illegible] conditional upon a rights [illegible].

"*Wickes* [illegible] *unaware* [illegible] [illegible] for [illegible] rise in its share price," [illegible] company said. [illegible] price lost [illegible] its early [illegible] to close [illegible] 50p, [illegible] *on the day.*

Mr Henry Sweetbaum, chairman, [illegible] he [illegible] not predict [illegible] timing [illegible] such rights [illegible] the volatile [illegible] *of the* [illegible] market. He [illegible] "You never [illegible] it's going [illegible] happen [illegible] it's done."

Ms Kimlan Cook, retailing analyst [illegible] County NatWest, [illegible] the end of 1990 was likely to [illegible] about [illegible] compared with shareholders [illegible] *She* [illegible] that [illegible] undoubtedly [illegible] expand [illegible] company's capital base.

But [illegible] said: "There are [illegible] *in issue* [illegible] they [illegible] going [illegible] have to [illegible] a deep rights [illegible] to make much difference to reducing debt."

[illegible] been hit by [illegible] downturn in [illegible] retailing sector [illegible] suffered big exceptional [illegible] Timber, a recently-acquired [illegible] importer.

Analysts [illegible] expecting [illegible] *profits* [illegible] exceptional [illegible] to [illegible] little more [illegible] year, compared with £38.1m [illegible] time.

NatWest turns loans to equity to buoy HHG

By Michiyo Nakamoto

NATIONAL WESTMINSTER [illegible] taking the unusual step [illegible] converting loans into equity to rescue Halls Homes [illegible] Gardens, the [illegible] of conservatories and [illegible] improvement products struggling amid growing recessionary pressures.

Halls [illegible] *also* [illegible] a rights issue. [illegible] warned yesterday that, [illegible] both issues were [illegible] completed, "the group will [illegible] certainly [illegible] unable to continue trading". Its [illegible] closed [illegible] 14p.

NatWest is subscribing in full an issue by HHG of 1.5m new 7 per cent preference *shares of* [illegible] by converting £1.5m-worth [illegible] HHG [illegible] the preference shares. The move will reduce [illegible] borrowings to [illegible], all of which is [illegible].

Halls' rights issue, involving [illegible] ordinary shares at 10p per share, has been *fully underwritten* by existing shareholders and other investors, in spite of [illegible] difficult market conditions.

"Both the bank and investors believe it is a strong company that was unfortunately caught out by the recession," said Mr Roger Brocklebank, an analyst at Schroder's, the company's brokers.

Yesterday HHG forecast a substantial loss for the year to end-December. At the interim stage it reported a pre-tax profit of £850,000 on turnover of £16.7m and forecast break-even at best for the second half.

Demand for its products in the UK continued to be depressed, however, as the recession deepened and exports remained slow due to the strong pound.

"Results for the year . . . will be considerably worse than intimated at the time of the interim statement," the company said. A high level of debt and a significant reduction in supplier credit has put HHG under severe pressure to maximise cash generation. Suppliers have reduced credit levels progressively over the last quarter, and [illegible] company's credit levels were approximately half what they were in the same period a year ago, said Mr Joe Moulton, *chairman.*

A final dividend is not likely to be recommended for 1990, while the interim dividend of 1p originally payable on February 1, has been postponed to be reconsidered in the light of results in 1991.

Mr Moulton said the rights issue would generate adequate working capital for the company to continue in business and reduce its "unacceptably high level" of borrowings.

Steps have also been taken to reduce costs and improve cash flow through a reduction in staff levels and a programme to realise inventory. The company does not expect turnover to improve significantly in the short-term but is confident [illegible] its cost-reduction measures will enable it to benefit from any upturn in the market.

Finance director takes over as chief executive at S&N

By Philip Rawstorne

MR BRIAN Stewart, finance director of [illegible] Newcastle Breweries, will [illegible] chief executive of [illegible] group on May 1.

Mr Alick Rankin, [illegible] who [illegible] combined [illegible] of *chairman and chief executive for* the past 18 months, will continue [illegible] chairman.

"In principle, I [illegible] not [illegible] in combining [illegible] important responsibilities, particularly in a company [illegible] size," Mr [illegible] yesterday.

After eight years [illegible] executive, Mr Rankin [illegible] thought [illegible] time [illegible] "bring in [illegible] changed style [illegible] ship, encouraging [illegible] thinking by [illegible] younger executive team".

Mr Stewart, 45, [illegible] chartered accountant, joined [illegible] in [illegible] and gained commercial experience with [illegible] Brewers, Wm Younger and McEwans, *working* [illegible] *retail* and production divisions. He [illegible] appointed corporate development director in [illegible] and group [illegible] *had* [illegible] *important* role in [illegible] group's [illegible] against [illegible] take-over bid.

He has played a leading part recently in [illegible] development of [illegible] *division,* [illegible] the UK where [illegible] a director [illegible] Pontin's, [illegible] in continental Europe, where [illegible] a member of the supervisory board of Center Parcs in the Netherlands.

Mr Stewart's [illegible] finance director will [illegible] Mr Derek Wilkinson, 47, who joined the group in [illegible] and has been financial controller since [illegible].

Mr Gavin Reed will leave his present post [illegible] group managing director to become [illegible] vice-chairman. He will become chairman of [illegible] new beer division which is [illegible] being formed.

The group last year [illegible] up a retail division to manage its pubs [illegible] restaurants.

Company of Designers £3.5m in red after exceptional charge

By Clare Pearson

THE TALE of woe [illegible] Company of Designers, the USM-quoted building design practice, [illegible] tinued yesterday when it announced [illegible] pre-tax loss of £3.53m for [illegible] end-September 1990.

It [illegible] results, taking [illegible] *off* [illegible] £1.05m pre-tax profit previously reported, owing to [illegible] work in progress adjustment at [illegible] of the [illegible].

Company [illegible] Designers [illegible] it was reviewing whether [illegible] part of the adjustment to reflect lower [illegible] in progress at [illegible] Moxley Jenner, which it acquired nearly [illegible] years ago, related to [illegible] 1989.

In [illegible] 1990 figures, extra provisions for bad [illegible] doubtful debts, management reorganisation, [illegible] 27.5 per cent cut in [illegible] and [illegible] of six [illegible] all included in [illegible] £1.09m exceptional item. The shares [illegible] unchanged at 7p yesterday.

After [illegible] £427,000, losses were £3.1m (£477,000 profit). Having paid 0.25p at the interim stage, [illegible] no [illegible] dividend. The loss [illegible] share [illegible] 18.6p (earnings of 2.7p).

Turnover fell 10.7 per cent to [illegible] (£15.94m). Work done [illegible] £14.05m (£15.83m). The [illegible] that it [illegible] confi[illegible] "*of its ability to return* [illegible] profit in the present climate for the construction industry", given actions taken and the current forward order book.

Since the end of September, sale of [illegible] headquarters office had resulted in a [illegible] profit and had reduced borrowings by £1m.

Company of Designers also proposes, subject to shareholder approval, to buy out FFNS Gruppen, the Swedish architectural and property group, [illegible] a joint venture created in July [illegible] at [illegible] cost [illegible] £615,000. In addition, FFNS [illegible] acquired SCAAN Consultants and [illegible] International, two parts of the joint venture, [illegible] *£13,000.*

European Assets

[illegible] value of European Assets Trust fell 18 per cent [illegible] Fl 7.26 [illegible] the year to the end [illegible]. In sterling terms [illegible] figure fell some 23 per [illegible] from 288.4p to 223p. The com[illegible] is listed in [illegible].

Earnings per share *improved to Fl 0.2 (Fl 0.16).* A proposed [illegible] Fl 0.15 lifts the [illegible] for the [illegible] Fl 0.19 [illegible] 0.14).

Correction

Cellnet

An article on February 5 quoted an [illegible] net, [illegible] telephone operator, had added 8,500 customers in the previous 4½ months. Cellnet has asked us [illegible] point [illegible] it [illegible] added more [illegible] 30,000 customers in the *past five* [illegible]

Bid talks lift Hunter Saphir shares 23p

By Maggie Urry

HUNTER SAPHIR, the fruit [illegible] vegetable distributor and food manufacturer, revealed yesterday that it was in [illegible] "*may or* [illegible] an offer" for [illegible] group.

The shares jumped on the news, closing [illegible] higher [illegible] 80p. [illegible] that level [illegible] group's mar*ket value* [illegible] *£19.7m.*

The brief statement [illegible] made in [illegible] to a rise in the shares, which [illegible] up [illegible] to 57p on Friday and continued [illegible] *rise yesterday morning.* The statement [illegible] that the board was consulting NM Rothschild, [illegible] merchant bank, and a further [illegible] would be [illegible] in [illegible].

Mr David Downes, finance director, said [illegible] was nothing [illegible] could [illegible] to [illegible] announcement and [illegible] talks were at a very early stage. The talks [illegible] with only one possi[illegible].

However, he said, [illegible] in the share price yesterday might change the bidder's calculations.

Any *bid* [illegible] would probably [illegible] the approval [illegible] the company and the Saphir family [illegible] succeed. Mr [illegible] Saphir, chairman, and his family, in [illegible] control [illegible] per [illegible] of the group's shares.

Included in this is a [illegible] held by Berisford International, [illegible] and property group. A [illegible] pany controlled by Mr Saphir [illegible] right to [illegible] this block [illegible] shares. However, [illegible] was speculation yesterday that [illegible] might [illegible] sell this [illegible].

Hunter Saphir, which supplies leading supermarket [illegible] with products such [illegible] Zimbabwean-grown [illegible] and makes Christmas puddings, [illegible] on the USM in June 1984 at [illegible] price of 120p. [illegible] issue [illegible] oversubscribed [illegible] times.

However, since [illegible] it [illegible] had [illegible] chequered history, making [illegible] number of acquisitions and disposals, and suffering a [illegible] at [illegible] spice and [illegible] per plant in June [illegible]. Its [illegible] peaked [illegible] in June [illegible], and moved [illegible] main *market in December* [illegible] year.

Last year [illegible] John Saphir, [illegible] deputy chairman and son of one of the founding brothers, [illegible] suddenly aged 44.

In [illegible] year to end-February [illegible] pre-tax profits dipped [illegible] (£6.1m) [illegible] interim results for [illegible] current financial year showed pre-tax profits [illegible] (£2.3m) only [illegible] £2.1m (nil) [illegible] tional credit from the insur[illegible] proceeds for [illegible].

[illegible] also carries heavy borrowings, [illegible] a syndicated [illegible] *facility of* [illegible] to [illegible] seasonal working capital peaks, and shareholders' funds shown in [illegible] sheet at [illegible] (excluding goodwill [illegible] £20.8m).

Wallcoverings buy at Walker Greenbank

By Clare Pearson

WALKER GREENBANK, [illegible] erstwhile mini-conglomerate, has made its [illegible] acquisition since completing a [illegible] *of disposals* [illegible] trating [illegible] wallcoverings business.

Walker [illegible] buying Bryant, a Kent-based company [illegible] *supplies it with commercial* wallcoverings, for [illegible] sideration of between £7.3m and £9.3m. [illegible] addition, [illegible] is assuming £3.1m [illegible] Bryant's borrowings.

The initial payment [illegible] £2m, [illegible] the balance [illegible] fied in two further [illegible] depending on Bryant's audited results for 1990 and for [illegible] year, with the second payment falling in February [illegible].

[illegible] Charles Wightman, [illegible] executive, [illegible] the move showed [illegible] embarking on its expansion plan. This comprised enlarging its European distribution net[illegible] wallcoverings and extending [illegible] product [illegible] specially in furnishing fabrics. [illegible] purchase [illegible] Bryant would secure the design [illegible] distribution rights for a significant part of Walker's established commercial product ranges. Bryant currently supplied about 40 per cent of the group's commercial contract division's sales.

In the 11 months to November 30 1990, Bryant had unaudited sales of £10m, about 70 per cent of which were to Walker. Pre-tax profits were £1.5m.

Separately, Mr Wightman revealed he had had "a number of recent conversations" with Aubin, the Jersey-based nominee company which [illegible] pushed [illegible] shareholding in Walker *from 32.6 to about 27.5* per cent since last November. "The talks were by no means acrimonious."

He noted that Walker had radically restructured *itself* and resumed profits growth [illegible] last 18 months, [illegible] Aubin initially acquired a [illegible] Pre-tax profits for [illegible] *half-year* [illegible] August 31 [illegible] £3.27m.

Hi-Tec on firm footing to beat estimates

By [illegible] Urry

[illegible] Sports, [illegible] sports [illegible] distributor, is trading better than it had earlier expected.

In [illegible] letter to shareholders yesterday it [illegible] profits for [illegible] end-January "are now expected to exceed significantly profits before tax of £6.4m recorded in the year to January 1990".

[illegible] Frank [illegible] Wezel, *chairman,* [illegible] pre-tax profits [illegible] "comfortably" beat the [illegible] peak announced for [illegible] financial year. Analysts are now looking for about £7.5m.

The results will [illegible] published in early May. [illegible] Mr van [illegible] he [illegible] shareholders should be told now of [illegible] "rather stronger performance in [illegible] six months". Yesterday [illegible] share price sprinted ahead 8p to close at 76p on the [illegible] although it is still well below the 160p flotation price in 1988.

In his interim report Mr van Wezel had only ventured to say that profits should beat *the £6.4m level. However, the last six* months had seen "strong performances in sports shoe sales in the UK and in sales of clothing and accessories in both the UK and in the Netherlands" he said.

In the Netherlands, business had been boosted by the acquisition of the Bad Boys brand of casual wear in 1989.

Mr Derek [illegible] finance director, *said* [illegible] market [illegible] sports [illegible] continuing to grow and the Hi-Tec brand was [illegible] well, he thought, because it was in [illegible] mid-price range offering value for money.

The interim dividend is held at 1.5p and *Mr Watson said the final would be set in* the light of the full year figures.

Mr van Wezel remained confident about the group's long term prospects, although he stressed it was not immune from negative factors affecting the general business climate at present.

Europe's largest cellular phone makers join forces

By David Owen

NOKIA, [illegible] largest private company [illegible] Finland, has agreed to buy Technophone [illegible] UK [illegible] a [illegible] will [illegible] the second largest cellular phone manufacturer in the world.

"Even the two of us together [illegible] equal Motorola but we will be very much the number two," said Mr Nils Martensson, [illegible] of Technophone, [illegible] menting on the [illegible] transaction. "Nokia [illegible] we have [illegible] very friendly [illegible] *petitors for many years.*"

The merger should enable the [illegible] largest cellular [illegible] phone manufacturers in Europe to [illegible] production efficiencies, and [illegible] strengthen R&D resources [illegible] a time when new digital technology is under development.

Technophone, based in Camberley and privately owned, [illegible] 750 employees and boasts production [illegible] in [illegible] Hong Kong. In the [illegible] to [illegible] 31 [illegible] net profits of £2.5m on turnover of £49.1m.

Nokia Mobile Phones employs 3,500 people and had *turnover of £330m in 1990. It* [illegible] manufacturing [illegible] in Finland, Germany and South Korea.

BHH makes £11.6m property purchase

[illegible] Group, a property investment [illegible] has purchased a portfolio of properties [illegible] £11.6m through [illegible] BHH Properties subsidiary, from Clayform Properties and Bryant Clayform.

[illegible] consideration was satisfied by [illegible] cash and the issue of 6.4m ordinary [illegible] Clayform [illegible] 5.19m [illegible] the shares, [illegible] the enlarged [illegible] capital, to Paribas, [illegible] stockbrokers.

BHH's [illegible] up 1p [illegible]

Berkeley Govett

A [illegible] into profit by its recently formed life [illegible] subsidiary helped Berkeley Govett, [illegible] Jersey-based financial services [illegible] which reports in [illegible] *annual pre-tax profits* by 18 per cent [illegible] in 1990.

This [illegible] compared with [illegible] $395,000 loss in its start-up period in [illegible].

Earnings [illegible] share were [illegible] cents). [illegible] posed final dividend [illegible] 12p [illegible] (10p), making a total [illegible] 19p (16p).

Mid Wynd nav falls 24%

OVER the six months to December 31 1990, net asset value at Mid Wynd International Investment Trust fell nearly 24 per cent from 305.5p to 233.3p.

The fall [illegible] heavy [illegible] the markets of Europe and south [illegible] Asia, which reacted especially poorly to the Gulf crisis.

Cash was raised in the immediate aftermath of the invasion of Kuwait. Some was invested in oil shares but the bulk had been kept on deposit.

The European bonds purchased last April, financed by dollar borrowings, performed satisfactorily.

Net revenue was £212,000 (£87,000) for earnings per share of 4.22p (1.73p). The interim [illegible] is lifted to 2.3p (1.7p).

Turnround at Ambrit

AMBRIT *International,* an oil and gas exploration and production company, made a profit of £164,000 for 1990, the first since 1984.

This is a turnround from a loss of £217,000 at the halfway *stage, and from one of £1.26m* for the whole of 1989.

Mr Alan Russett, chairman, said the result reflected higher oil prices after the Iraqi inva*sion of Kuwait* and the group's success in raising oil and gas production levels.

Also, overhead costs in the US were reduced by a further 20 per cent, and the US subsidiary swung round from a net *loss of £1.11m, including exceptional write-offs,* to a net profit of £237,000.

Earnings per share came to 0.25p (losses 4p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding [illegible]	Total for [illegible]	Total last year
Berkeley Govett ......fin	[illegible]	-	[illegible]	[illegible]	[illegible]
Co of Designers ......fin	nil	-	2.25	0.25	[illegible]
Dalgety ......int	7.15	July 1	7.15	-	18.15
[illegible] ......fin	0.15‡	[illegible] 2	0.1	0.19	0.14
[illegible] Wynd Inv ......int	[illegible]	Apr [illegible]	1.7	-	[illegible]

Dividends shown [illegible] per share net except [illegible] *Equivalent [illegible] allowing for scrip issue. †On capital increased by rights and/or acquisition [illegible] §USM stock. ★US cents, gross. ‡Dutch guilders.

Continued on Page [illegible]

هكذا من الأصل

Ownership doubts take the bloom off development plans

UES, GKN's joint venture with British Steel, is causing problems for both parents as its market softens. Charles Leadbeater reports

IT IS a vast but almost *silent machine,* which [illegible] from near the ceiling of the Aldwarke steel mill near Rotherham to the rolling mills several hundred feet below.

Liquid steel poured in at the top passes through the jumbo sized bloom caster at the speed of a glacier, drawn by gravity. As it moves it is cooled and shaped to emerge at the bottom as an *oblong strand.* That strand, which still glows with heat, is cut into lengths known as blooms, which then go to be rolled on Aldwarke's mills.

The power, scale and seemingly inexorable movement of the caster at United Engineering [illegible] plant cannot fail [illegible] impress. Yet it [illegible] the heart [illegible] an increasingly troublesome dilemma for [illegible] of Britain's leading manufacturing groups.

GKN, the engineering [illegible] and British [illegible] are UES' par[illegible] equal shareholders. They formed UES [illegible] a joint-venture in 1986, [illegible] a [illegible] out courtship, to rationalise the British engineering steel sector. They invested £72m in the caster at the height of the boom in steel output. But almost from the month the [illegible] began producing, *the* market [illegible] to soften.

This [illegible] left the parents with troubling questions. Having [illegible] than £150m in the [illegible], including the caster, how will they [illegible] decent return?

GKN put its engineering [illegible] interests [illegible] UES as [illegible] way of getting out of steel. It does not want to hang around longer than necessary. But it *also wants to see a return. If* its stake was sold now it is unlikely the price would reflect the quality of the assets, given the fall in steel demand, output [illegible] profits.

An alternative [illegible] be [illegible] for the investment, which has turned UES into the [illegible] cost engineering steel producer in Europe, to deliver a stream *of dividends. That could take* several years and delay [illegible] exit from the steel industry far longer than it wants.

The dilemma [illegible] British Steel is no [illegible] tricky. At first sight it would [illegible] an obvious step *for it to buy out its part*ner and [illegible] its dominance of the UK [illegible] industry. Some senior [illegible] British [illegible] if it [illegible] not move [illegible] control UES then [illegible] foreign group such as Usinor Sacilor, the acquisitive French [illegible] producer, [illegible] opportunity [illegible] move into [illegible] backyard.

Despite [illegible] apparent [illegible] *far from* [illegible] cut. Even within the highest echelons of British Steel there are differing views on UES' future.

Casting out: A recently [illegible] bloom (left) at UES' Aldwarke bloom caster

The [illegible] British [illegible] internationalising [illegible] *deepening* [illegible] *dependence on* [illegible] UK [illegible]. They [illegible] it [illegible] expertise in [illegible] steels, [illegible] structural sections for the [illegible] tion industry, rather [illegible] going [illegible] speciality engineer[illegible]

Any move to take control of UES' 2m tonnes a year capacity would have to fit in with British Steel's plans to ration*alise further its four main steel* making plants in South Wales and northern England to reap economies of scale.

Mr Graham Mackenzie, UES [illegible] executive [illegible] joined [illegible] company [illegible] TI, the *engineering group, recognises* [illegible] ownership [illegible] could not have been resolved [illegible] the [illegible] last year to close the old GKN plant [illegible] Brymbo, [illegible] a [illegible] is likely [illegible] delayed by [illegible] recession, which has forced UES to cut output by 20 per cent.

The combination of recession [illegible] uncertainty will *complicate* [illegible] Mackenzie's task in implementing plans [illegible] developing the group. [illegible] four broad areas.

- Cutting its already low cost base in basic steel making. It is considering reducing the number of furnaces at Rotherham to provide economies of scale. As one of the country's top ten industrial electricity consumers it is planning to exploit the flexibility offered by electricity privatisation to start electricity production through a joint venture with US partners. Its electricity bill of £60m a year is *one of its largest costs.*
- Moving [illegible] company fur[illegible] downstream into higher valued added areas of produc[illegible]. For instance, rather than supply oth[illegible] companies with semi-finished steel from which they can make car components, [illegible] subsid[illegible] could produce complex parts themselves.

After a series of acquisitions it [illegible] to [illegible] its bright bar operations by reducing its plants from four to two. It also has plans to build up its re-rolling [illegible]

The model for this rationalis*ation is Glynwed, one of UES'* main competitors. Mr Mackenzie speaks [illegible] admiration [illegible] the way Glynwed has [illegible]

- Broadening its [illegible] base, which is heavily concen[illegible] in the automotive industry. In 1989 [illegible] about 30 [illegible] cent [illegible] into [illegible] 19 per cent into commercial [illegible] and 12 [illegible] *off-highway* vehicles.
- Exploiting its low cost [illegible] to strengthen significantly its position [illegible] the channel, which is perhaps [illegible] most important [illegible] the [illegible]pany in [illegible] medium term.

Mr [illegible] company's main strategic [illegible] as [illegible] peripheral *position on the edge of the core* of European engineering industry. He says :"The car, truck and engineering industries are concentrating into central Europe. That is where the big [illegible]mers are."

UES plans to expand [illegible] in equipment manufac[illegible] Volkswagen, which already takes 20 per *cent of its conrods, an engine* component, from UES. The [illegible] has also set up wholly-owned sales subsidiaries.

But the next moves will be more expensive, into continental stockholding and servicing *and possibly joint-venture steel* production. The most natural [illegible] UES in [illegible] product range would be a joint-venture with Ovako, the Swedish engineering steels producer. But that could just be an alli*ance of two companies at the* margins of the market.

[illegible] striking into the [illegible] of Europe will prove difficult. In Italy engineering steels is being concentrated through [illegible] Falck. In France, Usinor Sacilor, which [illegible] extremely powerful in [illegible] steels, towers over the industry leaving few openings for outsiders.

The most attractive option might be to tie up with Thyssen Edelstahlwerke, the speciality steel producer owned by Thyssen, the German steel and *engineering group. The* [illegible] is that most British steel makers regard the German industry is a closed club.

Whichever route [illegible] chooses, the uncertainty over its ownership will have to be cleared up, to allow the company to move [illegible]. Mr Mackenzie says: "People need to know who they are teaming up with."

It is almost inconceivable that British Steel would relinquish control over UES. It may choose the formula it adopted, with another associated [illegible]pany Allied Steel and Wire, in *which it has 20 per cent.*

Mr [illegible] concludes: "British Steel will [illegible] to retain some influence over us." UES may have grown up and be ready to leave home, but its link with its most influential parent is unlikely to be severed.

MEPC sells London office building to Bank of China

By Vanessa Houlder, Property Correspondent

MEPC, [illegible] property [illegible] and developer, yesterday announced that it had [illegible] a London office building [illegible] Bank [illegible] China [illegible] new [illegible] quarters.

Analysts estimate that the building, which [illegible] 49,000 [illegible] ft [illegible] 90 Cannon Street in the City, was valued [illegible] *£35m and £40m. The bank will* move to the property, known as Eagle House, in spring next year, following completion in June.

The *deal,* which *has long* been anticipated by the market, had little effect on MEPC's share price which moved up 4p to 541p. However, it is significant in that it shows there is some life in the property mar*ket, which has been hit by a* partial withdrawal of overseas investors and the prospect of further falls in prices.

Hammerson, another large property investor, yesterday announced that it had pre-let a 21,000 sq ft office development at 133/136 High Holborn in London to Nationwide Anglia Building Society, the UK's second largest building society.

The building, which will be called Nationwide House, will be used as the building society's head office. The rent agreed is estimated to be in excess of £45 per sq ft.

CONTRACTS

Major orders for GEC Alsthom

GEC ALSTHOM has received an order for 78 coaches and the signalling equipment for line 3 of the Caracas metro in Venezuela. The order is worth about £68m and includes an option for 72 additional coaches.

National Railways of Ecuador has signed a contract worth about £15m for the supply of nine diesel-electric locomotives, spare parts and personnel training.

Dutch Railways has awarded an order worth about £70m for 42 electric locomotives to equip the domestic network.

Dubai Electricity Company has awarded Alsthom Turbines a Gaz, a subsidiary of GEC Alsthom's European gas turbine company, an order worth about £58m for the turnkey supply of two gas turbines rated at 116 MW each to extend the Jebel Ali power station.

Subsidiaries The European Gas Turbine Company and Large Steam Turbine Group have been awarded contracts worth over £70m for the supply and installation of gas and steam turbine generating plant for the new Corby and Peterborough gas fired combined cycle power stations. Delivery of the plant, which is being made in the UK and France, is scheduled for 1992. When completed in 1993, both stations will produce a nominal 350MW. The contracts were awarded by Hawker Siddeley Power Engineering, the main contractor.

Eastern Europe minting order

BIRMINGHAM MINT has received two coin and blank orders valued at £2.5m from Eastern European countries. The completed orders will be delivered by May. Mr Harry Balmer, group managing director, said: "These orders prove that despite the trend towards nickel plating, there is still a strong demand for solid coin [illegible] blanks."

Water study

Dumfries & Galloway Regional Council has awarded a [illegible] to NORTHUMBRIAN WATER GROUP to [illegible] 12 [illegible] assessment study [illegible] the major sewage treatment plant in Troq[illegible]. The study will [illegible] to [illegible] problems [illegible] works.

Radio network for military headquarters

The [illegible] RADIO GROUP [illegible] won [illegible] contract for its tactical area communications system, Tacnet, which has been acquired by a Middle East customer. The Tacnet family of equipment provides communications for the tactical headquarters of military [illegible] in the field.

Critical castings

[illegible] (ECL) [illegible] an agreement [illegible] CHESHIRE PRODUCTION (ENGINEERING) to supply safety critical castings worth about £1.5m [illegible] the main tunnels of the Eastern Channel railway link in Denmark. ECL has paid to Cheshire £287,500 in prior satisfaction of ECL's contractual performance liabilities.

Flooring for Disneyland in France

GC FLOORING, [illegible] flooring division [illegible] Group, [illegible] at Euro-Disneyland in France. [illegible] £1m the [illegible] for ceramic [illegible] and [illegible] in the 500-room Euro-Disneyland [illegible] Disneyland, [illegible] Meaux.

Inspection work

BROMPTON HOLDINGS [illegible] won [illegible] installation inspection contracts through its principal operating subsidiary, Oilfields Inspection Services. The first, worth about £300,000, is for Unocal's "Funan" project in the Gulf of Thailand where OIS will carry out non-destructive testing [illegible] offshore pipelines and oil pro[illegible] installed [illegible] months. The second [illegible] for similar inspection and testing [illegible] Shell Sarawak for its offshore oil activities in Malaysia. The first phase of the contract is worth an estimated £137,000 but the contract may be extended through later phases over the next three years and could be worth over £1.1m.

* * *

SULZER (UK) PUMPS, Leeds, has been awarded a £1m contract by Kvaerner Engineering on Behalf of Norsk Hydro for two injection pumps in which the bearings are lubricated by sea water. The pumps are for use on the new oil production platform in the Brage field in the Norwegian sector of the North Sea.

Vehicle systems

ICL, information systems subsidiary of STC, has won a contract valued at £1.7m [illegible] provide systems and services [illegible] Hungarocamion, a freight company. A World Bank funded tender, this is the biggest single sale ICL has made in Hungary. The order includes four ICL mainframes with a network of 500 intelligent workstations will run Businessolve financial software from Radius, for sales order processing, accounting and project management; and Fleet 2000 from Resourceful, a fully-integrated system for the management and maintenance of Hungarocamion's 1800-strong vehicle fleet.

* * *

STC CABLE has an order worth over £400,000 from Gibraltar Nynex Communications to provide fibre optic cabling on the Rock.

Instrumentation for Sellafield

British Nuclear Fuels has awarded CROWN HOUSE ENGINEERING an electrical and instrumentation contract at Sellafield in Cumbria, UK centre for the reprocessing of spent nuclear fuel. The £9.8m order is part of the new £250m encapsulation plant, to be completed in 1993.

Stabilisers and steering gear

BROWN BROTHERS, Edinburgh, part of Vickers, is to supply steering gear and stabiliser equipment to the Australian and New Zealand navies. Amecon of Melbourne, Australia's leading warship constructor, has placed the £10m order for ten shipsets for the German-designed MEKO 200 class frigates, with an option for two more sets. The first will be ready in 1992, and equipment will continue to be delivered to the end of the century.

* * *

BABCOCK ENERGY has two orders worth about £5m: one at about £3m for boiler components for the Meri Pori 500MW coal fired power station in Finland; and the other at £2m for components for the Saltire field development project-jacket structure under construction [illegible] for Occidental Petroleum (Caledonia).

New range of telephones ordered

[illegible] has been selected by British [illegible] to develop and supply a new range of telephones. The business is likely to be worth over £50m over the next three years. The order is for a range of models from a basic two-piece telephone to a high specification [illegible] phone.

The new designs incorporate the latest surface mount telephone technology developed by STC. The e[illegible]onics for the range has been designed to be easily adapted for use in other European countries.

* * *

HADEN DRYSYS, Birmingham, has a £1.2m contract from Tan Chong Motors (Nissan) in Malayasia for an electrodip system and colour [illegible] booth for its vehicle paint finishing line. To ensure deadlines are met the electrodip system will be built in modular form, prepiped and taken on site [illegible] purpose-built system. The old plant will be pulled out and replaced during a two-week shutdown.

Haden has another order from Malaysia to supply a colour paint line at £750,000 to AMI Ford.

While most of the plant for both contracts will be made in Malaysia, key proprietary equipment will brought in from Europe.

* * *

VAUXHALL has won a £4.5m order to supply British Rail with 644 Astravans. They will all be 1.7 L diesel models and will be used by technicians and supervisors for maintenance duties throughout Britain. Supplying dealers are Charles Clark Group, Sheffield, and Martin Walker EKV, Kent.

More efficient power station

BABCOCK ENERGY has a £12m contract for the supply of heat recovery steam generators for one of the UK's first new privatised power stations to be built at Corby, Northamptonshire.

The contract has been placed by Hawker Siddeley Power Engineering's private power division for the 360MW combined cycle power plant being constructed for Corby Power – a joint venture between subsidiaries of East Midland Electricity, Hawker Siddeley, and the Electricity Supply of Ireland.

The steam generators, which convert the heat energy in the hot exhaust gases from the gas turbines into steam, are stated to be vital in achieving the high thermal efficiencies characteristic of this type of power plant. The steam is used to drive steam-turbine alternators which produce about a third of the stations electrical output.

The company says this combination produces power at an overall efficiency of about 505, with almost no emissions of sulphur and extremely low emission of nitrogen oxides. In addition, the greatly increased thermal efficiency reduces the amount of carbon dioxide emitted per kilowatt of electricity generated when compared with other fossil fuels.

* * *

MORRISON KNUDSEN CORPORATION, Boise, Idaho, has a $13m contract to remanufacture 20 railroad locomotives for the Burlington Northern Railroad. Final delivery is scheduled for the second half of the year.

* * *

ASCo, oil services division of the SIDLAW GROUP has been awarded two contracts to provide the onshore supply base facilities and services for the hook-up and commissioning works for BP Explorations's Miller Platform in the northern sector of the North Sea.

The contract is scheduled to last for 18 months and is expected to be worth over £1.5m. At Peterhead ASCo will be providing BP with [illegible] accommodation and normal quayside facilities of berths, cranage, fuel and water, as well as up to six acres of open storage and 25,000 sq ft of covered storage.

* * *

UNITED KINGDOM CONSTRUCTION AND ENGINEERING COMPANY, Liverpool, part of the Tilbury Group, has been awarded a £500,000 contract by ICI chemicals and polymers for work at the Runcorn plant. UKC&E will fabricate and install carbon steel and monel pipework, and erect various plant items associated with the "Golf" project, phases 1B and 2. This involves a plant for the manufacture of HFA, a new material which will used to replace CFCs in refrigeration units, aerosols, etc. Completion is scheduled for July.

Brewery control

ALLIED BREWERIES has chosen WALKER INTERNATIONAL's DB2 relational database, real time, financial systems to modernise its accounting and procurement systems. The order is worth about £500,000 including professional services. The system will installed on an IBM 3090/500J mainframe.

* * *

W.L. GORE & ASSOCIATES has [illegible] contract worth over $1m [illegible] supply [illegible] membrane [illegible] bags to [illegible] installed at a coal-fired power station in Denmark.

Continued on Page 21

MANAGEMENT: The Growing Business

Marketing co-operatives

Pulling together in a common purpose

By Charles Batchelor

Brian Lowings, managing director [illegible] Biotech Instruments, a supplier of laboratory equipment [illegible] in DNA research, will meet counterparts from four continental European firms in Paris later this month to put the finishing touches to a joint marketing venture on which they have been working [illegible] the [illegible] year.

Four companies, from Germany, France, Switzerland, and the Netherlands, have joined Luton-based Biotech to [illegible] up the Combio Group [illegible] a Europe-wide marketing network. By working together – average turnover [illegible] about £1m – they [illegible] plan to share technological expertise and [illegible] increase their negotiating [illegible] *when dealing with the* larger biotechnology groups.

At their meeting in Paris the [illegible] partners hope to be able [illegible] nominate [illegible] organisation, probably [illegible] consultancy firm, to [illegible] central secretariat and [illegible] carry [illegible] taken by the *members* [illegible] *their quarterly* meetings. [illegible] where the companies plan [illegible] work together are in jointly [illegible] ing their [illegible] under the Combio label, in taking [illegible] space at exhibitions and in agreeing a common policy on questions [illegible] *margins when negotiating* with suppliers.

Co-operative marketing agreements, whereby small companies group together [illegible] combine their meagre budgets and limited management resources, are common in [illegible] in continental *Europe.* In Italy, [illegible] *particular,* co-operative marketing groups – *consorzi* – [illegible] contribution to [illegible] economy by helping small [illegible] medium-[illegible] businesses break [illegible] new markets.

Federexport, for example, a grouping of export *consorzi,* has 161 members representing nearly 6,800 [illegible] employing more than 300,000 people. Member companies account for 10 per cent of Italian exports.

In the UK, with the exception of long-established organisations in the agricultural and horticultural sectors, marketing co-operatives have failed to make such a big impact though [illegible] have [illegible] attempts by groups *such as* [illegible] *(now* defunct) national Co-operative Development Agency to [illegible] mote their growth. A survey published by [illegible] *1987 found* just 14 non-agricultural marketing co-operatives with 1,200 members.

In [illegible] notably [illegible] hotel, leisure, [illegible] and craft sectors, [illegible] co-operative marketing ventures [illegible] established but the [illegible] made negligible [illegible] within manufacturing industry [illegible] UK. Brian Lowings [illegible] he initially attempted [illegible] inter-[illegible] other British firms in Combio [illegible] he failed [illegible] find [illegible] *UK partners so he* [illegible] turned his attention to [illegible] Continent.

Part of [illegible] problem [illegible] of smaller British companies [illegible] to see co-operative [illegible] limiting their [illegible] action. "It is difficult [illegible] independent small [illegible] *people* [illegible] could [illegible] of their freedom," [illegible] Lowings.

[illegible] reason [illegible] many [illegible] people [illegible] of [illegible] term "co-op-[illegible]" despite [illegible] that many co-operative marketing [illegible] in [illegible] up [illegible] *companies* [illegible] *by* [illegible] by guarantee. "The co-operative label [illegible] help," com-[illegible] Tim Walby, in [illegible] marketing [illegible] in the Community, which is attempting [illegible] keep [illegible] in [illegible] following [illegible] *Co-operative Development* Agency.

Co-operative marketing agreements [illegible] the [illegible] an appropriate [illegible] of [illegible] ture. [illegible] closing last [illegible] after the [illegible] of government funding [illegible] attempted [illegible] improve [illegible] popularity [illegible] co-operatively [illegible] ised marketing [illegible] by drawing up three [illegible] of "model rules". This has [illegible] it [illegible] for those wishing to [illegible] up their organisations on genuinely co-operative lines – [illegible] a one-member one-vote basis – [illegible]

[illegible] which have [illegible] to marketing co-operatives in [illegible] either very small or which operate in geographically [illegible] Small [illegible] operate [illegible] handicaps [illegible] about the impact [illegible] co-operative marketing on [illegible] activities.

Judy Bell, [illegible] began making sheep milk [illegible] farm in the village [illegible] Newsham, [illegible] Thirsk [illegible] north Yorkshire in [illegible], [illegible] The Yorkshire Pantry, [illegible] and drink produ-[illegible] "has been the making [illegible] business". Through The Yorkshire Pantry, Bell [illegible] shared a large marquee [illegible] Yorkshire [illegible] to promote her [illegible] and [illegible] part [illegible]

[illegible] business, Shepherd's [illegible] Products, [illegible] in a marketing [illegible] and *caterers.* [illegible] arranged through [illegible] Pantry have kept Bell up [illegible] date on changing hygiene legislation. [illegible] taking on a [illegible] to give [illegible] her own marketing and [illegible] expected [illegible] to £100,000 [illegible] year.

The Yorkshire Pantry is just one of [illegible] ty-based producers' [illegible] ciations [illegible] bring together widely dispersed rural small businesses. Set up in [illegible] with [illegible] support from North [illegible] County [illegible] now [illegible] 98 members; most [illegible] producers [illegible] some are purchasers. [illegible] members [illegible] membership [illegible] agement board [illegible] weeks.

[illegible] of The [illegible] try's members are happy in [illegible] *of their* products throughout Yorkshire before raising their sights to the national or international markets. Cornwall Concepts, by contrast, is keen to market the products of its craft-based membership outside the county, according to Henry Roberts, *chief* [illegible]

[illegible] by [illegible] County Council in 1987 Cornwall Concepts [illegible] into a limited company in 1989 and is attempting, ultimately, to become self-financing. [illegible] around 100 [illegible] involved [illegible] areas [illegible] as woodworking, knitwear, [illegible] ings cards and pottery, paying a £30 annual fee.

[illegible] important [illegible] Cornwall Concepts [illegible] to [illegible] its [illegible] more *professional* [illegible] them [illegible] as [illegible] manufacturers rather [illegible] or [illegible]. "Buyers imagine that [illegible] products [illegible] produced in a hippy commune and will come wrapped up in a piece of newspaper," says Roberts. As *part of* [illegible] *campaign to get rid of* "hobbyists", [illegible] Concepts [illegible] pruned [illegible] membership [illegible] 100.

[illegible] attempts to [illegible] members more professional [illegible] the broad aims – going [illegible] beyond simply publicising their products – adopted by [illegible] *of the* [illegible] keting co-ops. [illegible] Concepts [illegible] a quality programme under [illegible] products are [illegible] jected [illegible] review by an [illegible] they [illegible] standards [illegible] design, presentation, finish and safety.

As part of their range of help for members, marketing co-ops [illegible] provide centralised services. Cornwall Concepts runs an ordering system which allows a buyer to place one order for the products of several [illegible]. It will also arrange delivery [illegible] members' shipments.

Consort Hotels Consortium, [illegible] to represent 252 [illegible] the past 10 years, runs a [illegible] reservation system as well as publishing a 200-page purchasing manual, [illegible] allows members [illegible] savings of [illegible] 10 [illegible] 20 [illegible] cent.

From members' subscriptions, which [illegible] £9,600, Consort has an [illegible] marketing budget [illegible] "You are [illegible] quite a [illegible] with that," [illegible] Martin Evans, [illegible] marketing. Consort provides brochures for its members [illegible] their accommodation [illegible] conference facilities [illegible] allows [illegible] being part [illegible] a [illegible] network.

Consort [illegible] £7m [illegible] for its members, most of which [illegible] single hotels, [illegible] so [illegible] just a [illegible] part [illegible] members' [illegible] business. "We normally provide between [illegible] 10 per cent [illegible] their bookings though [illegible] hotel [illegible] 52 [illegible] business from us," explains Evans.

Important though Consort [illegible] providing [illegible] members [illegible] extra business, membership does not absolve businesses [illegible] carrying out their [illegible] marketing. "Membership is [illegible] an [illegible] for opting out," [illegible] ments Evans. "A [illegible] should expect to spend £15,000 to £30,000 on marketing annually. Being a member [illegible] you have to do more on planning your rates and returning booking forms. You have to be more professional."

[illegible] members, such as the Great Western Hotel, *Paddington*

Perseverance is the key

Charles Batchelor on the potential for selling to big firms

Small firms are frequently deterred from attempting *to sell to big corporations* and large public sector organisations: tracking down the right buyer can be difficult and conforming to their apparently bureaucratic purchasing procedures put off all [illegible] determined.

[illegible] to [illegible] a dramatic improvement in either price, delivery or quality to dislodge an established supplier, according to a new guide* for small firms from Business [illegible] Community, [illegible] organisation of [illegible] enterprise agencies.

But there [illegible] opportunities [illegible] a foothold. These are [illegible] likely to occur when [illegible] buyer [illegible] considering [illegible] changes; when increased demand [illegible] tional suppliers; when [illegible] wants a second source for a *product;* [illegible] *existing suppli*ers are not up-to-scratch; or in-house [illegible] or processes [illegible] being contracted [illegible]

Apart from persisting on the telephone until he *has found* the appropriate buyer the small supplier should also attend Meet the Buyer events and trade exhibitions and make sure he is listed in his local trade directory.

In dealing with large [illegible] small firms should make sure they:

- Follow up leads. Nothing irritates a buyer more than having [illegible] contacted by a new firm which seems to be a potential supplier, then finding it does nothing to follow up.
- Be prepared to say no. A lost contract is better than a bad contract.
- *If the buyer frequently* changes suppliers, beware. The buyer may be a bad payer, change requirements frequently or be unethical.
- *Do not rely on a single cus*tomer for more than, say, 30 per cent of sales unless you negotiate a long-term contract which safeguards your interests.
- Keep your premises clean and tidy even if they are small and cramped. Buyers will regard this as a measure of your efficiency.

**Springboard for Growth - Guidelines for the Smaller Company Selling to Larger Companies and Organisations. From BiC, 227A City Road, London ECIV 1LX. Tel. 071 253 3716. 24 pages. Free.*

In brief...

■ A Europe-wide study [illegible] potential [illegible] manufacturing [illegible] in [illegible] and [illegible] by PERA, [illegible] production engineering research organisation, [illegible] its counterparts in [illegible] countries.

The research project, entitled "*technical* [illegible] organisa[illegible] spin-offs for [illegible] and [illegible] enterprises from [illegible] machining systems", will [illegible] improve productivity [illegible] quality in [illegible] manufacture [illegible] products. It will [illegible] identify techniques to [illegible] the take-up [illegible] new [illegible] facturing [illegible] in smaller firms.

[illegible] PERA, Melton Mowbray, Leicestershire [illegible]

■ When [illegible] pheasants [illegible] for rearing [illegible] Essex [illegible] farmer [illegible] to [illegible] air and flew off he realised [illegible] their wings had not been properly clipped. The farmer was [illegible] to [illegible] supplier with the help [illegible] a legal [illegible] insurance policy.

With solicitors' fees averaging £75 an hour and barristers charging up [illegible] £40,000 [illegible] accept [illegible] £1,500 daily to [illegible] in court, legal expenses [illegible] insurance which business-people should seriously consider, according to the Director's Guide to Company Insur[illegible]

Insurance cover for key personnel is another area which few businesses consider – only 1 per cent of UK companies take out such cover – despite the serious impact the loss of key executives or staff can have.

Deciding how much cover to arrange is tricky but the level of cover should reflect a multi*ple of the individual's salary,* a multiple of the business's profits and the person's contribution to those profits, the guide suggests.

Further chapters deal with issues such as property cover, product liability, transport, accidents, [illegible] liability.

Available from [illegible] *Publications,* [illegible] *Tel 071-730 6060. 80* [illegible] + [illegible] *p&p.*

■ Barry Baldwin, a partner [illegible] Price [illegible] appointed *special* [illegible] Forth, small firms [illegible] Department [illegible] Employment. Baldwin [illegible] director of independent business [illegible] house Europe and a former chairman of the Union of Independent Companies, which represents smaller [illegible]

■ A Small [illegible] Club for the [illegible] of small companies in Birmingham will [illegible] launched in March by Birmingham Ventures, a [illegible] enterprise agency, and the city's Training and Enterprise Council.

The inaugural meeting will [illegible] Commerce House, Edgbaston on March 18 at 7.30 pm.

Contact Derek Bullivant, [illegible] *of Commerce House, 75 Harborne Road, Birmingham B15 3DH. Tel 021-454* [illegible]

■ 3i, the UK venture and development capital group, is to par*ticipate in a* [illegible] *seed capital* fund, Triad Investors Corporation, set up to exploit the ideas of academics at the Johns Hopkins University, Baltimore in [illegible] US. In the UK 3i has backed similar funds at Edinburgh and Cambridge Universities.

■ British [illegible] throw [illegible] up to a quarter of their profits by failing to tackle the problem of crime, according [illegible] a Home Office crime prevention video, Business Crime – the Profit Eater.

The video demonstrates typi*cal invitations to crime* in the small and medium-sized business and shows how they can be avoided, drawing on the successes of groups such as the Meridian Business Park near Leicester and the North Lynn Industrial Estate, Norfolk.

Copies of the video are being distributed through crime prevention panels, chambers of commerce and business groups. It is also available on free loan or for purchase at £9.99 inc VAT from CFL Vision, PO Box 35, Wetherby LS23 7EX. Tel 0937 541010.

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KPMG Peat Marwick Corporate Recovery

[illegible]

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For further details [redacted] Jason Elles, Administrative Receiver, Ernst & Young, Apex Plaza, Reading, [redacted] RG1 1YE. Tel: 0734 [redacted] Fax: [redacted]

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The Falcon Hotel
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Interested parties please apply for particulars of sale [redacted] the Joint Administrative Receiver G C S Baker, Ernst [redacted] Young, 37 New Walk, Leicester, LE1 6TU. Telephone (0533) 549818.

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Ipswich

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Sadler [redacted] Sons (Ipswich) Ltd

This company's principal activity [redacted] commercial and residential construction as a [redacted] contractor.

- [redacted] 100 [redacted]
- Skilled and loyal workforce
- Joinery, small works, painters [redacted] specialist Church division
- [redacted] work in [redacted]
- Annual turnover c.£6 million
- 1.6 acre freehold, yard, works and head [redacted] building

Collins [redacted] Curtis (Ipswich) Ltd

This [redacted] operates [redacted] profitable specialist commercial stonemasonry [redacted]

- [redacted] hi-tec plant
- Highly skilled workforce [redacted]
- Full order book
- Annual turnover [redacted]
- [redacted] premises

Scanlift Ltd

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- Annual turnover c.£300k
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This company [redacted] mainly engaged in plant hire [redacted] the construction industries

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- Skip hire business - Bond Bin Hire
- Tipping facility
- 9 employees

For further details please contact the Joint Administrative Receivers Andrew D. Conquest or Richard P. Betts at:
Grant Thornton, Crown House, Crown Street, Ipswich, Suffolk IP1 3HS.
Tel: 0473 221491 Fax: 0473 [redacted]

Grant Thornton

The U.K. member [redacted] of Grant Thornton International.
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IN ADMINISTRATIVE RECEIVERSHIP

The joint administrative receivers offer for sale on a going concern basis the business and assets of [redacted] major light engineering group located in Central Manchester. The Group has four operating divisions with a centralised administration facility.

COLMAN FASTENERS

- Turnover £1.7 million.
- Leasehold property in Central Manchester.
- Manufacturers of cold-headed products in particular SEMS.

SAM CASE

- Turnover £400,000.
- Branches in London and Manchester.
- Manufacturer of aluminium transit [redacted]

H. FORDSMITH

- Turnover £1.4 million.
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For further information please contact:
J.J. Gleave or G. Houghton
Arthur Andersen and Co., Bank House, 9 Charlotte St.,
MANCHESTER, W1 4EU.
Tel: 061-200 0297 Fax: 061-200 0343.

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Touche Ross

Kristal Klear Limited
(In Administrative Receivership)

The Joint [redacted] Receivers, N. G. Atkinson and A. R. Houghton offer for sale the business and assets of the above company.

The company has [redacted] major trading divisions; contract office cleaning and the provision of services to motor manufacturers [redacted] regard exhibitions, [redacted] shows and transporation.

Main features [redacted]

- ☐ Turnover approximately £5m in 1989/90.
- ☐ [redacted] freehold premises in Laindon, [redacted] and Atherstone, Warwickshire.
- ☐ Leasehold [redacted] used for transport division in Grays, [redacted]
- ☐ Leasehold body shop, (22,000 sq. feet) in Barking, Essex.
- ☐ Plant [redacted] equipment, including 1 car and 1 commercial vehicle oven.
- ☐ Motor vehicles.

For further information please contact Nigel Atkinson [redacted] the [redacted] below.

55/57 High Holborn, London WC1V 6DX.
Tel: 071 405 [redacted] Fax: 071 831 [redacted]

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Screen Process Printer

[redacted] and [redacted] Applied Screen Print Limited of Tonypandy, [redacted] are offered [redacted] a going concern. The Company's business comprises full design [redacted] artwork [redacted] process printing and [redacted] processing located in 45,000 sq ft of purpose built leased premises.

- ★ Expanding [redacted] throughout U.K. [redacted] Europe.
- ★ Annual turnover approaching [redacted]
- ★ Excellent [redacted] prime [redacted] within twenty minutes of M4 motorway.
- ★ Skilled and flexible workforce, well [redacted] to innovation [redacted] development within [redacted]

Interested parties should contact Barry Mitchell and Barry Jones, KPMG Peat Marwick McLintock, Marlborough House, Fitzalan Court, Fitzalan Road, , Cardiff CF2 1TE. Tel: (0222) 462463. Fax: [redacted] 481605.

KPMG Peat Marwick Corporate Recovery

Touche Ross

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- ☐ [redacted] base.
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For further information, [redacted] Lindsay Denney or Sue Lewis [redacted] the [redacted] below.

1 Woodborough Road, Nottingham NG1 3FG.
Tel: [redacted] 590060.

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Touche Ross

Bain UK Limited
(In Receivership)

The Joint Receivers offer for sale the business and assets of Bain UK Limited.

Engaged in joinery and shopfitting, distribution of laminated products and the fabrication and distribution of specialised construction materials.

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- ☐ Annual turnover in excess of £2.5m.
- ☐ Freehold factory and offices of 25,000 sq. ft. located in Glasgow.

[redacted] further information please [redacted] Robin Wilson or [redacted] at the address [redacted]

65 Renfield Street, Glasgow G2 1NS.
Tel: 041 [redacted] Fax: 041 [redacted]

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هكذا من الأصل

COMMODITIES [redacted] AGRICULTURE

Australia abandons wool price 'floor'

By Kevin Brown in Sydney

AUSTRALIAN WOOL is to be sold at free market prices for the first time in 17 years after the government yesterday suspended the industry's crisis-hit price support scheme until July.

The decision will also mean lower prices for other wool growing countries such as New Zealand, which [redacted] previously benefitted from Australian attempts to prop up the market.

Mr John Kerin, Primary Industries Minister, said the cabinet would make a final decision about the future of the scheme after a committee [redacted] inquiry reported in April.

However, the announcement means the end of Australian attempts to use its position as supplier [redacted] per [redacted] apparel wool [redacted] maintain prices [redacted] market [redacted].

"If [redacted] reserve price scheme from July 1, it will be self-funding and the floor price will be set conservatively against then prevailing market prices," Mr Kerin said.

The [redacted] under pressure [redacted] year, when Mr Kerin forced the Australian Wool Corporation, [redacted] statutory marketing organisation, to cut the floor price from 870 [redacted] a kilogram [redacted].

The reduction followed a collapse in demand for wool caused by the withdrawal [redacted] major purchasers, including China, [redacted] and the [redacted] Union, which coincided with soaring production.

However, the reduction failed to prompt buyers to return [redacted] the market, and the corporation has been forced to buy in and stockpile up to 70 per cent of wool offered for sale at some auctions.

The corporation [redacted] floor price scheme to continue, [redacted] government baulked at [redacted] from the Australian Bureau of Agricultural and Resource Economics that intervention stocks would rise from [redacted] 8.7bn over the next [redacted] years. Such a rise would have required an [redacted] in the corporation's federally guaranteed [redacted] from A$2.8bn to [redacted] A$4bn.

"You just cannot go on and on and on and on guaranteeing billions [redacted] dollars) [redacted] taxpayers funds, knowing [redacted] you are going [redacted] a situation that the industry can [redacted] crawl out of. [redacted] just reached the point [redacted] no return," Mr [redacted] said.

[redacted] prices are expected to be volatile in the next few months, but the Government said it expected prices [redacted] stabi[redacted] about [redacted] cents a kilo[redacted], slightly more than half the current floor price.

Australian wool auctions, which [redacted] suspended last week, will resume on February 18, but sales will be limited in an attempt to reduce price fluctuations.

The government said A$300m would be made available to the industry's 22,000 specialist wool growers immediately, and supplementary payments would [redacted] available later to bring [redacted] up to 700 cents a kilogram [redacted] sold between now and [redacted] of June.

Plans to limit production through quotas and higher [redacted] on growers will be scrapped, and a flock [redacted] scheme under which farmers are being paid to shoot up to 20m sheep will be reviewed.

Mr Hugh Beggs, the wool corporation chairman, said he reluctantly supported the deci[redacted] to suspend price support, [redacted] warned that about a quarter of wool [redacted] would face "severe financial stress" from July onwards.

Wool growers organisations around Australia condemned the decision. Mr Jeremy Gehrmann, an ex[redacted] of the United Graziers Association of Queensland, said many farmers would [redacted] forced off [redacted] land.

Aluminium demand 'holding up well'

By Kenneth Gooding, Mining Correspondent

WORLD-WIDE demand for aluminium was holding up surprisingly well in spite of the serious [redacted] in the US building, construction and automotive industries, said Mr Paul O'Neill, chairman of the Aluminium Company of America (Alcoa), yesterday.

"If this is as bad as its [redacted] to get – and it is my [redacted] that [redacted] is [redacted] as it is going to get – then it isn't too bad," he said of conditions in [redacted] industry.

Alcoa, [redacted] biggest [redacted] group [redacted] world, [redacted] away from making forecasts but Mr O'Neill went on to say: "If demand is what we expect in 1991, Alcoa will need all the capacity it has." Unlike its main North American rivals, Alcoa has made no cuts to its capital expenditure plans.

While the group has given no details of these, Mr O'Neill pointed out that the go-ahead had only recently been given for an A$300m expansion of the Wagerup alumina refinery operated by [redacted] (51 per cent owned by the US group). This project, to [redacted] annual output from [redacted] alumina [redacted] tonnes, [redacted] approved [redacted] long [redacted] careful [redacted] of [redacted] market.

Alcoa's main North American competitors, Alcan of Canada, [redacted] Reynolds [redacted] second-largest US aluminium group, are taking a more [redacted] tious approach.

Reynolds will [redacted] spending from [redacted] planned US$700m to [redacted] flow. The [redacted] insists, [redacted], that the cuts will not [redacted] any important projects already announced. [redacted] year Reynolds' capital expenditure reached $1.1bn of which only 40 to 45 per cent was financed from cash flow.

[redacted] plans to cut capital spending from US$1.2bn last year [redacted] in 1991. Mr [redacted] Morton, [redacted] chairman, said at the weekend that the budget would probably be cut again before 1992. He gave a warning that primary aluminium prices might fall further. "Demand is softening but the supply side is still trundling on," he said.

Mr Allen [redacted], chairman of Amax, [redacted] substantial US aluminium producer, said that at [redacted] prices [redacted] high-cost producers were "making a couple [redacted] cents a pound" profit. But if prices dropped another 10 [redacted] a lb, [redacted] producers would [redacted] to cut output. Mr Born suggested that, as aluminium supply and [redacted] were likely to remain balanced in 1991, prices should [redacted] the same as [redacted] year: 75 cents a lb.

Alarm grows in Brussels over deepening farm budget crisis

By David Gardner in [redacted]

THE ALARM bells [redacted] farm spending started to clang inside the European Commission last September, but the new, sharper [redacted]als emerging from its agriculture directorate are now tolling for a full-blooded budget crisis.

A confidential memorandum to Mr Ray MacSharry, the European Community's agriculture commissioner, forecasts that the farm "guideline" agreed in February 1988 – to banish budget crises from community affairs – will be [redacted] this year and next, by about Ecu1bn (£700m) and [redacted] respectively.

The memo acknowledges that, while [redacted] of the increase in spending will [redacted] caused by integrating eastern Germany into the Common Agricultural Policy, [redacted] as the higher farm support costs of a cheap dollar, the main reason [redacted] the "grow[redacted] imbala[redacted] in certain markets such as cereals, milk, beef, sheepmeat, tobacco, protein crops and wine."

Stockpiled beef is now at the record level of 930,000 tonnes and intervention stocks of cereals [redacted] only just short of [redacted] tonnes.

The situation would be much [redacted] had drought not reduced [redacted] amount [redacted] cereals which [redacted] be stockpiled and world prices for oilseeds like soya had not firmed.

Appropriations to maintain the existing structure of the CAP [redacted] escalated: Ecu4.3bn to support beef prices, for instance, against Ecu2.3bn budgeted two months ago.

Overall, spending on farm support is now forecast to rise to nearly Ecu33bn this year, up Ecu7.9bn from 1990.

[redacted] MacSharry [redacted] hoped that his reform package, embodying sharp price cuts, modulated compensation tar[redacted] mainly [redacted] small farmers and severe output curbs, would soon engage with this twin phenomenon of oversupply and overspending. [redacted] last week's European Council of farm min[redacted] refused the [redacted] even provi[redacted] endorsement for its radical plan.

While this stalemate continues the commission's has no alternative but to is to seek a supplementary budget for this year, to impose a restricti[redacted] price [redacted] – due by March [redacted] – [redacted] of the compensating offsets which would safeguard farm income under the MacSharry proposals, and to tighten up the operation of the CAP.

The latter measures, costed in detail in the memo, would for example hope to save Ecu70m by lengthening the payment periods for buying in skimmed milk powder, or claw back Ecu210m by "suppression of the safety net in the beef sector", whereby the EC is obliged to buy in excess pr[redacted]duction at 80 per cent of the intervention price. A further Ecu277m could be saved, the memo suggests, by postponing payments to member states at the annual rounding up of the agricultural budgetary flows. Such savings at the margin are eloquent of just how creaky the CAP mechanisms have become.

"The agricultural budget situation is deteriorating rapidly," the memo, dated January 28, states baldly. So rapidly that the year or more commonly thought to be needed for the community to thrash out its position on farm reform looks more than ever like a luxury it can not afford.

Coughing up more for cloves

Claire Bolderson on [redacted] blow to Indonesia's cigarette manufacturers

THE INDONESIAN government is in [redacted] odour with [redacted] makers [redacted] clove-scented cigarettes favoured by its population. [redacted] to establish a clove trading monopoly controlled by one of President Suharto's sons will almost double the amount [redacted] multi-million dollar industry [redacted] for this [redacted] raw [redacted] factory [redacted] and, according [redacted] industry officials, could [redacted] cigarette producers out of business.

The [redacted] Support and Trading Board (BPCC) came into operation on January 1 this year [redacted] a bitter struggle [redacted] of the private consortium at the centre of the monopoly, K[redacted] Cengkeh Nasional, and the kre[redacted] cigarette manufacturers who consume almost all of [redacted] annual [redacted] production of about 80,000 tonnes. Until this year, a state-owned trading house, Kerta Niaga, was supposed to manage a buffer stock, stabilise the market and fix a floor price for [redacted] 6,500 rupiah ($3.40) a kilogram. But Kerta Niaga was underfunded and inadequately managed and [redacted] failed to support prices. Recent years saw [redacted] price [redacted] cloves in Indonesia fall as low [redacted] R3,000 a kilogram.

Last [redacted] Indonesian Trade Ministry announced a new floor price of between R7,000 [redacted] R8,500 a kilogram, which will be paid to the clove growers by vill[redacted] co-operatives. The BPPC, which [redacted] Niaga with a five-mem[redacted] consortium, the leading company of which is headed by [redacted] Suharto's third [redacted] the only [redacted] author[redacted] buy from [redacted] co-opera[redacted] industry.

A [redacted] Ministry official said the new floor price was expected to enable clove grow[redacted] to earn more. And [redacted] ing [redacted] Mr Jantje Wirotitjan, a [redacted] association official, the members of [redacted] association [redacted] one year [redacted] cloves stocks, or [redacted] tonnes, in hand [redacted] stocks before dealing with the new monopoly. [redacted] will be at [redacted] months, the official said, before Indonesia's 120 [redacted] cigarette companies have to start buying

A clove trading monopoly will almost double the amount the industry pays for this vital raw material

[redacted] cloves. Mr Jantje Wirotitjan [redacted] no problem. "In [redacted] future they [redacted] tact us because they [redacted] buy from BPPC," he says.

The BPPC meanwhile has amassed considerable stocks of its own. According to Mr Wirotitjan, Kerta Niaga, [redacted] former clove trade managers, [redacted] about 25,000 tonnes at the time the new trading board [redacted] formed while its KCN consortium partners had about 60,000 tonnes, giving the new group a total of [redacted] least a y[redacted] worth of stocks. It is understood that KCN has been buying up [redacted] over [redacted] past [redacted] years while prices hovered between [redacted] and [redacted] a kilogram.

When the cigarette companies do start buying cloves again, probably later this year, they will be [redacted] those old [redacted] first but, the [redacted] hopes, at the new, much higher price and according to members of the association, it is in order to [redacted] profit [redacted] than to help the clove farmer that the BPPC monopoly [redacted] really formed.

Certainly the establishing of a trading monopoly in Indonesia does not sit [redacted] the countries recent efforts to deregulate the economy. And [redacted] connection of a member [redacted] the President's family with the trading consortium is, an association member said, an indication of the strong political rather than market considerations that might have encouraged the government to bring in the new system.

Although [redacted] clove [redacted] acknowledge that a more stable approach to pricing and trading was needed, and that [redacted] clove [redacted] benefit in [redacted] short-term, they say the true effects of introducing the trading monopoly have not been properly thought out and that the system will not work in the long term, in part because it makes no provision [redacted] limiting clove acreage. This year Indonesia expects a bumper clove harvest and the worry is that farmers, encouraged by the higher prices being offered by the BPPC will plant more clove trees [redacted] try to push production up further.

At the same time, cigarette [redacted] they [redacted] ching [redacted] the manufacture of [redacted] tional cigarettes because of the [redacted]ted price of the cloves sold [redacted] them by [redacted]. They are already predicting a 20 to 40 [redacted] the price of the highly popular cigarettes and say that thousands of jobs may be lost in the industry, which directly employs 150,000 people and includes the largest taxpayers outside the oil sector.

But cigarette producers, grouped in the Association of Indonesian Cigarette Manufacturers, say the main result will [redacted] a substantial [redacted] in prices for the consumer and a probable glut in the market. The BPPC will add R1,500 to the floor price when it buys cloves from the village co-operatives and its selling price to the cigarette companies will include as yet undisclosed fees for warehousing, transport and insurance [redacted]. As one [redacted] official put it, "they can [redacted] anything [redacted] want to, any pricing they want", and the official [redacted] cigarette producers expected to be buying cloves [redacted] anything between R12,500 and R15,000 a kilogram, compared with the R7,500 average they pay now.

But exactly when the cigarette companies are going to be buying BPPC's cloves is not entirely clear. According to the leading bu[redacted] in the consortium, [redacted] main purpose of [redacted] new system [redacted] "to increase [redacted] welfare of the farmers".

US cotton prices 'to stay high'

HIGH PRICES and tight [redacted] US cotton are [redacted] to [redacted]tinue, in part because of a lowered forecast for the freeze damaged [redacted] in California, according [redacted] Mr Clayton Yeutter, [redacted] Agriculture Secretary, reports Reuters from Washington.

"It's been [redacted] to [redacted] true for the last year [redacted] two [redacted] for a while. . . partly because of the adverse weather conditions in California," [redacted].

[redacted] Farm Bill would help cotton farmers gradually to reduce their dependence on government programmes [redacted] make the crop more [redacted] oriented, he [redacted].

In Los Angeles, meanwhile, the annual convention of the [redacted] Cotton Council [redacted] told that US cotton expected [redacted] plant 13.9m acres [redacted] 1991, up from the 12.4m planted last year.

A council [redacted] intentions [redacted] increase upland cotton plantings by [redacted] cent to 13.6m acres, while extra-long staple cotton acreage would jump [redacted] per cent [redacted]. The biggest upland cotton plantings increases were expected in the [redacted] mid-south region.

California cotton plantings were expected to drop by 8.4 per cent from last year, probably due to water restrictions.

Mr Barr said the per acre yield for 1991 was projeted to be closer to the five-year average of 624 lb because of the increase in acreage.

He estimated harvested US cotton acreage at about 12.9m acres, which works out t[redacted] 16.1m to 17.4m bales.

● China produced more than 4.25m tonnes of cotton last year, a 16.5 per cent increase over 1989 and the highest level since 1985, the official People's Daily said.

India to lift gold import ban

By R.C. Murthy [redacted] Bombay

[redacted] government plans partially to lift its ban on gold imports and allow non-resident Indians to bring in as personal baggage up to 250 [redacted] (eight troy ounces) of yellow [redacted] when they [redacted].

These imports are to supplement domestic supplies and meet the rising demand from gold-hungry Indians. Annual consumption is 250 tonnes but India produces only 25 tonnes at its Kolar and Hatti gold [redacted] in South India. The remainder is met partly by recycled gold and largely by unauthorised arrivals, [redacted]mated [redacted] about 170 tonnes a year.

Possession of primary gold was banned some 25 years ago in a bid to curb consumption. But smuggling grew over the [redacted] and the V.P. Singh administration repealed the gold control [redacted] last year, admitting its failure to slow demand for gold. Mr Shantilal Patel, deputy commerce minister, said the Reserve Bank of India would buy at the ruling market price in rupees half of the gold brought by expatriate Indians at the airport counters and the other half could be brought into the country after paying small, but unspecified import duty.

The price of gold in Bombay is R3,450 (£94) for 10 grams, compared with R2,215 in [redacted]don. Analysts say the expatriate Indians will have a margin of some 11 per cent on the transaction and it can go up if the rupee continues to depreciate against key international currencies.

The non-resident Indian gold import scheme may be announced in the budget session of parliament scheduled to open on February 21. The government hopes it will bring in some 45 tonnes of gold this year, reducing the scope for smuggling the yellow metal into the country.

WORLD COMMODITIES PRICES

MARKET REPORT

Silver closed down sharply in London [redacted] futures plunged in early trading [redacted] Comex. Industrial buying [redacted] recently supported the [redacted] ounce but when this withdrew US [redacted] liquidated positions and players [redacted] quiet London [redacted] trend, [redacted] said. Shortly after midday the Comex March contract was off by [redacted] than [redacted]. On [redacted] LME nickel broke through upside chart [redacted] to [redacted] firmer. [redacted] said the gains [redacted] mostly technically inspired, and once [redacted] $8,700 a tonne level for three-month metal had been broken, prices swiftly advanced to the highs. Also, today's LME stock returns may show a fall as a shipment of [redacted] physical [redacted] may not [redacted] unloaded, they [redacted] London [redacted] prices by [redacted] had [redacted] of earlier [redacted] under [redacted] from selling by French [redacted] houses amid talk that [redacted] Ivory [redacted] was offering Jan/Mar 1992 shipment cocoa at around FFr720-730 per [redacted] York's nearby raw sugar [redacted] tumbled [redacted] 8.06 [redacted] a lb as the [redacted] below 8.50 triggered heavy commission house and fund selling.

Compiled [redacted]

London Markets

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or -
Dubai	[redacted]	+.475
Brent Blend (dated)	[redacted]	+.475
Brent Blend (April)	[redacted]	+.375
[redacted] (1 pm est)	[redacted]	+.825
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$242-246	+5
Gas Oil	$325-330	+10
Heavy Fuel Oil	$82-84	-2
Naphtha	$234-236	+6
Petroleum Argus [redacted]		
Other		+ or -
Gold (per troy oz)♦	$367.75	-2.50
Silver (per troy oz)♣	$[redacted]	-1.70
Platinum (per troy oz)	[redacted]	-2.10
Palladium [redacted]	$87.75	+1.50
[redacted] (free [redacted])	[redacted]	[redacted]
Copper [redacted]	114½c	+2½
[redacted] (US Producer)	34c	
[redacted] (free market)	405c	+7
Tin (Kuala Lumpur market)	14.71r	-0.06
Tin (New York)	257c	
Zinc (US Prime Western)	[redacted]	
Cattle (live weight)†	[redacted]	+1.67*
Sheep (dead weight)†	166.25p	+13.8*
Pigs (live weight)†	86.22p	+5.86*
London daily sugar (raw)	[redacted]	[redacted]
London daily sugar (white)	$298.0w	-1.5
Tate and Lyle export price	£215.5	-1.5
Barley (English feed)	Unq.	
Maize (US No. 3 yellow)	£168.5	
Wheat (US Dark Northern)	£94.5	
Rubber (Mar)▼	48.25p	-0.75
Rubber (Apr)▼	48.75p	-0.75
Rubber (KL RSS No 1 Feb)	228.5m	-1.0
Coconut oil (Philippines)§	$325w	+5
Palm Oil (Malaysian)§	$320	-10
Copra (Philippines)§	$200	-10
Soyabeans (US)	£134.75	
[redacted] "A" [redacted]	85.60c	+0.65
Wooltops (64s Super)	401p	

£ a tonne unless otherwise stated. p-pence/kg. [redacted] r-ringgit/kg. q-Mar/Apr. t-Apr. [redacted] Mar z-Jan/Feb. x-Mar. †Meat Commission average fatstock prices. * change from a week ago. ▼L[redacted] market. §CIF Rotterdam. [redacted] Bullion market close. m-Malaysian cents/kg.

SUGAR – London FOX			($ per tonne)
Raw	[redacted]	[redacted]	High/Low
Mar	[redacted]	[redacted]	190.00 177.80
May	[redacted]	[redacted]	193.00 180.20
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
Mar	190.60	198.00	194.00 187.40
[redacted]	[redacted]	[redacted]	High/Low
Mar	285.5	[redacted]	295.0 285.0
[redacted]	[redacted]	289.0	289.0 [redacted]
[redacted]	[redacted]	[redacted]	292.5 282.0
[redacted]	[redacted]	[redacted]	288.5 285.0
Dec	[redacted]	285.0	282.0
Mar	257.5	285.0	288.0 282.7
May	260.5	272.0	269.0 265.2

Turnover: Raw 1246 (807) lots of 50 tonnes. White 1979 (336) Paris- White (FFr per tonne): [redacted] 1392, Aug [redacted] Oct 1300.

CRUDE OIL – IPE			$/barrel
	Latest	[redacted]	High/Low
Mar	20.58	19.97	[redacted]
Apr	[redacted]	[redacted]	[redacted] 19.20
May	18.79	18.35	[redacted]
Jun	18.10		18.10 18.00
IPE Index	[redacted]	20.20	

Turnover 10840 (10122)

GAS OIL – IPE			$/tonne
	Latest	Previous	High/Low
Feb	331.00	295.00	332.00 [redacted]
Mar	233.50	214.50	233.50 [redacted]
[redacted]	[redacted]	[redacted]	193.00 [redacted]
[redacted]	[redacted]	[redacted]	[redacted]
Jun	177.00	174.00	177.00 172.00
Jul	173.00	170.00	176.00 173.00
[redacted]	[redacted]		174.00

Turnover 17992 (7729) lots of 100 tonnes

TEA

There was a good demand at irregular and often lower levels, reports the Tea [redacted] Association. Assams met less demand at easier rates with some withdrawals. Brightest Africans sold readily with [redacted] levels firm to dearer but all other descriptions came to a more selective market and lesser mediums proved a weak feature. Ceylons attracted good competition at marginally easier rates. Offshore teas met a good enquiry at generally firm prices. Quotations: quality 215p nominal, medium 115p, low medium 83p.

COCOA – [redacted] FOX			[redacted]
	[redacted]	[redacted]	High/Low
[redacted]	[redacted]	599	596 586
May	[redacted]	635	634 624
Jul	[redacted]	664	662 654
Sep	686	690	686 680
Dec	[redacted]	727	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	770 760

Turnover: 7029 [redacted] lots of 10 tonnes. ICCO indicator prices (SDRs per tonne). Daily [redacted] for [redacted] 8 819.19 (822.37) 10 day average [redacted] 11 [redacted]

COFFEE – London FOX			£/tonne
	[redacted]	Previous	High/Low
Mar	516	519	535 513
May	[redacted]	[redacted]	[redacted]
Jul	[redacted]	[redacted]	567 546
[redacted]	[redacted]	561	573 557
[redacted]	578	[redacted]	[redacted]

Turnover: [redacted] (2351) lots [redacted] 5 [redacted]. ICO indicator prices (US cents per pound) for Feb 8: Comp. daily 68.95 (67.46). 15 day average [redacted]

POTATOES – London FOX			£/tonne
	[redacted]	[redacted]	High/Low
Feb	100.0	99.5	100.0
Apr	125.5	127.9	127.5 124.5
May	145.5	140.3	147.0 144.0

[redacted] (87) lots [redacted]

SOYAMEAL – London FOX			£/tonne
	[redacted]	Previous	High/Low
Feb	[redacted]		107.00
Apr	[redacted]	[redacted]	[redacted]

Turnover 51 (100) lots of 20 tonnes.

FREIGHT – London FOX			$10/index point
	Close	Previous	High/Low
[redacted]	[redacted]	1553	1575 [redacted]
[redacted]	1521		[redacted] 1515
[redacted]	1400	[redacted]	[redacted] 1375
Jul	1075	1085	1078 1070
[redacted]	1180	1165	1180
BFI	1583	1544	

Turnover 222 [redacted]

[redacted] – London FOX			[redacted]
Wheat	Close	Previous	High/Low
Mar	123.50	[redacted]	[redacted]
May	[redacted]	[redacted]	[redacted]
Jun	[redacted]	[redacted]	129.15 129.05
[redacted]	[redacted]	[redacted]	110.00
Jan	113.75		113.65
Barley	[redacted]	[redacted]	High/Low
Mar	113.45	113.50	113.60 113.30
May	[redacted]	[redacted]	[redacted]

Turnover: Wheat 192 (220), Barley 75 (185). [redacted]

PIGS – London FOX		(Cash Settlement) p/kg
	Close	Previous	High/Low
Mar	107.0	[redacted]	108.5
May	107.0	[redacted]	107.0
Jun	107.0		107.0
[redacted]	[redacted]		[redacted]
Sep	104.0		104.0

Turnover: 41 (46) lots of 3,250 kg

[redacted] – London FOX					
	[redacted]	Prev.	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	154.25	155.53		
Mar	[redacted]	[redacted]	[redacted]		30
Jan	155.00		158.80	156.00	280

LONDON METAL EXCHANGE				(Prices [redacted] Amalgamated Metal [redacted])		
	Close	Previous	High/Low	[redacted]	Kerb close	Open interest
Aluminium, 99.7% [redacted] ($ per tonne)					Total [redacted]	
Cash	[redacted]	1501-2	[redacted]	1505-6		
3 months	[redacted]	1534-5	[redacted]	1537-8	1537-8	[redacted]
Copper, Grade A (£ per tonne)					Total daily [redacted]	lots
Cash	1219-21	1214-5	1229/1219	1228-9		
3 months	1221-2	1219-20	1231/1220	1230-1	1221-2	[redacted]
Lead (£ per tonne)					Total daily turnover 2,200 lots	
Cash	302-3	298-9	305/302.5	305-6		
3 months	314-5	319.5-10.5	318/312	317-8	312-3	[redacted]
Nickel ($ per tonne)					Total [redacted]	
Cash	8760-800	8560-70	8710/8700	[redacted]		
[redacted]	[redacted]	8575-600	8775/8650		8770-[redacted]	8,074 lots
Tin ($ per tonne)					Total daily turnover 665 lots	
Cash	[redacted]	5570-5	5540	5540-50		
3 months	[redacted]	5560-70	5550/5540	[redacted]	5835-45	[redacted]
Zinc, [redacted] High Grade ($ per tonne)					[redacted] turnover [redacted]	
Cash	1180-1	1177-8	1178	1176-8		
[redacted]	[redacted]	1176-7	[redacted]	[redacted]	1173-4	[redacted]

LME [redacted] £/$ rate: SPOT: 1.9975 3 [redacted] 6 [redacted] 9 [redacted]

LONDON BULLION MARKET (Prices supplied by N.M.Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	367.50-368.00	
Opening	368.00-368.50	
Morning fix	[redacted]	184.674
[redacted] fix	[redacted]	183.839
Day's high	[redacted]	
Day's low	366.60-367.00	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	[redacted]	6 months	[redacted]
2 months	[redacted]	12 months	[redacted]
[redacted]	5.28		

Silver fix	p/fine oz	US cts equiv
Spot	191.50	381.55
[redacted]	[redacted]	[redacted]
12 [redacted]	214.95	407.45

GOLD COINS (Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	[redacted]	[redacted]
Maple leaf	[redacted]	[redacted]
New Sovereign	89.00-90.00	44.50-46.00

TRADED OPTIONS

Coffee	[redacted]	[redacted]	Mar	[redacted]
450	65	80		1
500	[redacted]	[redacted]	1	[redacted]
550		12	35	33
Cocoa	Mar	May	Mar	May
550	41	87		7
600	[redacted]	51	15	[redacted]
650		26	[redacted]	[redacted]

Brent Crude	Apr	May	Apr	May
1900	160			
1950	140			
2000			150	

New York

GOLD 100 troy oz.; $/troy oz.				
	[redacted]	Previous	High/Low	
[redacted]	[redacted]	[redacted]	[redacted]	367.0
[redacted]	[redacted]	[redacted]	0	0
[redacted]	[redacted]	[redacted]	371.3	368.5
[redacted]	[redacted]	[redacted]	[redacted]	372.0
[redacted]	[redacted]	[redacted]	[redacted]	375.9
Oct	378.6	[redacted]	0	0
Dec	381.9	[redacted]	382.0	381.5
Feb	[redacted]	[redacted]	0	0
Apr	[redacted]	[redacted]	[redacted]	[redacted]

PLATINUM 50 troy oz; $/troy oz.				
	[redacted]	[redacted]	High/Low	
Apr	[redacted]	[redacted]	382.0	377.5
[redacted]	[redacted]	[redacted]	385.0	382.2
[redacted]	386.1	390.3	0	0
[redacted]	[redacted]	[redacted]	[redacted]	0
[redacted]	401.2	409.7	[redacted]	0

SILVER 5,000 troy oz; cents/troy oz.				
	Close	Previous	High/Low	
Feb	368.5	382.0	372.5	371.0
Mar	369.7	[redacted]	381.0	363.0
Apr	371.5	[redacted]	0	0
[redacted]	[redacted]	[redacted]	386.6	369.0
Jul	378.9	393.1	391.0	373.0
[redacted]	[redacted]	398.1	389.0	380.0
[redacted]	[redacted]	405.4	402.0	388.0
Jan	392.3	407.0	0	0
[redacted]	[redacted]	[redacted]	[redacted]	394.0
May	[redacted]	[redacted]	400.0	[redacted]

INDICES

REUTERS (Base: September 18 1931 = 100)

Feb 11	[redacted]	mnth ago	yr [redacted]
1872.1	[redacted]	[redacted]	[redacted]

DOW JONES (Base: Dec. 31 [redacted] = [redacted])

	[redacted]	Feb 7	[redacted] ago	yr ago
Spot	121.87	[redacted]	124.30	[redacted]
Futures	127.57	[redacted]	126.10	[redacted]

HIGH GRADE COPPER 25,000 lbs; cents/lbs				
	Close	Previous	High/Low	
[redacted]	[redacted]	110.25	110.80	109.60
Mar	110.10	109.45	110.80	108.70
Apr	108.30	108.00	109.00	108.90
May	107.20	106.95	107.70	106.30
[redacted]	[redacted]	106.45	0	0
Jul	[redacted]	105.65	106.30	105.05
[redacted]	105.10	104.95	0	0
Sep	[redacted]	104.25	104.00	104.00
Oct	[redacted]	103.85	0	0
Nov	[redacted]	103.40	103.40	103.40

CRUDE OIL [redacted] galls $/barrel				
	Latest	Previous	High/Low	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Apr	[redacted]	[redacted]	[redacted]	[redacted]
May	19.98	19.44	20.00	19.35
[redacted]	[redacted]	18.89	19.37	[redacted]
[redacted]	[redacted]	[redacted]	18.71	[redacted]
[redacted]	[redacted]	[redacted]	18.85	[redacted]
[redacted]	[redacted]	[redacted]	18.62	[redacted]
Dec	[redacted]	[redacted]	[redacted]	[redacted]

[redacted] OIL [redacted] US galls, [redacted] galls				
	Latest	Previous	High/Low	
Mar	[redacted]	5722	7170	[redacted]
Apr	[redacted]	5915	6165	5910
May	5570	5457	5580	5460
Jun	5410	5227	5410	5200
Nov	5540	5432	5540	5515

COCOA 10 tonnes;$/tonnes				
	[redacted]	[redacted]	High/Low	
[redacted]	[redacted]	1132	1140	[redacted]
[redacted]	[redacted]	1159	1170	1153
Jul	1189	[redacted]	[redacted]	1185
Sep	1228	[redacted]	[redacted]	1223
Dec	1271	1276	1280	[redacted]
Mar	1313	1318	1330	
May	1345	1350	0	[redacted]
Jul	[redacted]	[redacted]	0	0

COFFEE "C" 37,500lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	88.35	87.25	89.00	86.85
May	90.20	89.35	91.10	89.40
Jul	92.40	91.85	93.50	92.00
Sep	94.40	94.00	95.50	94.25
Dec	97.00	96.80	98.30	97.00
Mar	99.80	98.00	100.25	99.80
May	101.85	100.50	102.50	102.50
Jul	103.80	102.50	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	8.20	8.54	8.55	8.06
May	8.27	8.55	8.54	8.10
Jul	8.31	8.57	8.57	8.10
Oct	8.33	8.58	8.58	8.30
Mar	8.49	8.80	8.68	8.39
May	8.53	8.84	0	0
Jul	8.60	8.94	0	0

COTTON 50,000; cents/lbs				
	Close	Prev[redacted]	High/Low	
Mar	83.15	84.13	84.20	83.00
May	82.04	82.38	82.73	81.75
Jul	80.86	81.24	82.85	80.75
Oct	70.90	71.22	71.20	70.70
Dec	67.65	67.80	68.00	67.40

ORANGE JUICE 15,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Mar	122.25	122.20	123.35	121.65
May	122.10	121.65	123.00	121.20
Jul	121.25	121.50	122.50	121.25
Sep	121.25	122.00	0	0

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel				
	Close	Previous	High/Low	
Mar	566/8	569/6	569/4	566/4
May	580/6	582/4	583/4	580/4
Jul	593/6	595/4	596/4	593/4
Aug	598/4	600/6	601/4	599/0
Sep	603/2	604/6	605/0	602/4
Nov	612/2	614/6	614/6	611/4
Jan	623/4	626/4	626/0	623/4

SOYABEAN OIL 60,000 lbs; cents/lb				
	Close	Previous	High/Low	
Mar	21.13	21.47	21.49	21.13
May	21.47	21.78	21.84	21.46
Jul	21.74	22.03	22.09	21.73
Aug	21.78	22.05	22.08	21.78
Sep	21.75	22.07	22.05	21.75
Oct	21.80	22.06	22.03	21.80
Dec	21.99	22.30	22.22	21.99
Jan	21.90	22.15	0	0

SOYABEAN MEAL 100 tons; $/ton				
	Close	Previous	High/Low	
Mar	164.7	163.6	166.0	163.4
May	168.8	168.2	168.9	167.7
Jul	173.5	172.8	173.6	172.0
Aug	175.8	175.0	175.8	174.5
Sep	177.2	176.1	177.5	176.7
Oct	178.7	178.2	179.0	178.2
Dec	182.4	181.8	182.5	181.3
Jan	182.7	181.8	0	0

MAIZE 5,000 bu min; cents/56lb bushel				
	Close	Previous	High/Low	
Mar	241/2	240/2	242/6	239/6
May	250/0	249/0	251/6	248/4
Jul	256/2	255/0	257/6	254/4
Sep	256/2	255/6	258/2	255/4
Dec	258/4	258/0	260/0	257/2
Mar	265/0	264/4	266/4	264/0

WHEAT 5,000 bu min; cents/60lb-bushel				
	Close	Previous	High/Low	
Mar	251/6	252/6	254/4	250/0
May	261/4	262/4	264/6	260/0
Jul	271/4	272/6	274/4	269/6
Sep	277/4	279/4	281/0	277/0
Dec	290/6	292/4	294/0	290/0

LIVE CATTLE 40,000 lbs; cents/lbs				
	Close	Previous	High/Low	
Feb	78.50	78.47	78.60	78.30
Apr	77.37	77.17	77.40	76.80
Jun	74.70	74.80	74.72	74.67
Aug	73.67	73.57	73.70	73.35
Oct	73.62	73.77	73.70	73.45
Dec	74.00	74.05	74.25	74.00

LIVE HOGS 30,000 lb; cents/lbs				
	Close	Previous	High/Low	
Feb	52.05	52.57	52.15	51.75
Apr	48.32	49.55	48.40	48.00
Jun	54.45	54.42	54.60	54.00
Jul	54.35	54.40	54.40	54.00
Aug	51.80	51.87	52.00	51.55
Oct	46.75	46.85	47.05	46.65
Dec	47.10	47.15	47.15	46.85

PORK BELLIES 40,000 lbs; cents/lb				
	Close	Previous	High/Low	
Feb	64.10	63.92	64.25	62.90
Mar	63.47	63.30	63.60	61.90
May	63.75	63.45	64.00	62.20
Jul	61.90	62.32	62.35	61.30
Aug	59.75	60.25	60.45	59.30
Feb	59.50	53.60	59.60	[illegible]

Continued on Page 31

LONDON STOCK EXCHANGE

Shares at their best for six months

[illegible] FUTURES markets on [illegible] sides [illegible] the Atlantic set the pace yesterday for another strong advance in UK equities. Potentially discouraging factors, which included [illegible] fall in the short sterling [illegible] and a substantial [illegible] in UK producer prices, were brushed aside by [illegible] stock market which is [illegible] vinced that global interest rates are on [illegible] way down and that domestic [illegible] will [illegible] follow the lead from [illegible] US.

Share [illegible] rose quickly yesterday morning as the new trading account opened with the premium on the [illegible] futures [illegible] expanding [illegible] 40 points. Trading [illegible] largely unaffected by [illegible] on the electronic Topic screens and the [illegible] Index [illegible] soon [illegible] points ahead.

The market cooled off briefly before renewing [illegible] advance

Account Dealing Dates			
*First Dealings:	Jan 28	Feb 11	Feb 25
Option Declarations:	Feb [illegible]	Feb 21	Mar 7
Last Dealings:	Feb [illegible]	Feb 22	Mar [illegible]
Account Day:	Feb 18	Mar 4	Mar 18

*New-time dealings may take place from 8.30 am two business days earlier.

when Wall Street started the new session with a further advance. With the Footsie futures still showing a premium of about 18 points above fair value when the Liffe market closed, equities ended at the day's best with a Footsie gain of 33.8 points at 2,279.0, the highest daily close for more than six months.

Traders [illegible] somewhat [illegible] loss [illegible] explain the market's strength, [illegible] that yesterday's announcement that UK producer output prices had gained 1.2 [illegible] in January was somewhat discouraging for hopes [illegible] base rates. Moreover, this [illegible] brings a flow of important [illegible] nomic data, including UK [illegible] and employment figures tomorrow [illegible] on Friday the January [illegible] price [illegible] (RPI); [illegible] RPI numbers [illegible] provide [illegible] pointer [illegible] inflation trends, [illegible] key [illegible] the [illegible].

The most significant [illegible] behind the rise in [illegible] prices [illegible] continued unwillingness [illegible] investors, private [illegible] institutional, [illegible] sell stock. The current advance in share [illegible] triggered [illegible] FT-SE 2,100, less than three [illegible], [illegible] inspired by the view [illegible] the [illegible] underlying value [illegible] that level.

"[illegible] not yet reached over-valued territory," com[illegible] Mr Bill Smith at Barclays [illegible], the UK investment bank. He warned, however, [illegible] the market [illegible] of confidence [illegible] ing [illegible] corporate reporting [illegible] this week [illegible] names [illegible] British Petroleum and [illegible] com. Also hanging over invest[illegible] the continued uncertainty over developments in [illegible] war.

[illegible] absence of sellers of stock, together with the strong [illegible] in [illegible] futures, put heavy [illegible] on marketmakers' trading positions. Arbitraging between futures [illegible] underlying cash market, once [illegible] profitable operation for the big trading houses, has now [illegible] extremely [illegible] prices [illegible] very sharply [illegible] soon as [illegible] arbitrageurs [illegible] their [illegible] market.

[illegible] the close, when London was responding strongly [illegible] the opening strength of [illegible] Street, [illegible] almost bewildered. [illegible] circulated of large [illegible] pending in equities, [illegible] buying orders [illegible] institutions. However, [illegible] no solid evidence of such developments.

Seaq volume, including [illegible] inter-dealer and [illegible] interest [illegible] equities, [illegible] 478.4m shares, compared with [illegible] Friday. [illegible] from the International Stock Exchange indicates [illegible] tomer business, which [illegible] erratic recently, jumped to £1.1bn [illegible] Thursday, [illegible] the few occasions recently [illegible] the £1bn mark.

Buyers hunt drug stocks

GLAXO and [illegible] other large drug companies registered record highs yesterday [illegible] institutions hunted for liquid [illegible] buy into [illegible] squeezed [illegible]

Glaxo, with interims due [illegible] February [illegible] climbed 15 to [illegible] volume of 1.4m. Ms Barbara Arzymanow of Klein[illegible] Benson said: "Even [illegible] this level, Glaxo's p/e [price-earnings ratio] relative is back to the levels of the pre-[illegible] era. People [illegible] not underestimate the company's [illegible] products."

Zantac, Glaxo's anti-ulcer product, is [illegible] company's, and [illegible] world's, biggest selling drug and accounted [illegible] rise to its position as the largest UK pharmaceutical com[illegible].

Others [illegible] hit new highs included SmithKline Beecham, up 10 [illegible] and Fisons, 10 [illegible] 396p. [illegible] Martin Hall [illegible] UBS Phillips [illegible] Drew [illegible] buying interest had [illegible] prompted by [illegible] view [illegible] dollar was fundamentally undervalued [illegible] would [illegible] the medium term. Drug company [illegible] come largely from outside the UK.

Ms Arzymanow added that [illegible] expected pharmaceutical sector [illegible] growth for [illegible] first half of the 1990s to be "much higher" than that of the [illegible] stock market as a whole. Earnings per share would [illegible] 12 per cent in 1991 and 15 per cent a year in the following three years – six percentage points higher than FT-A 500-share index constituents, she continued.

Burmah advance

Burmah Castrol gave the [illegible] performance of the oil issues, advancing [illegible] to [illegible] what was described [illegible] good turnover of around 500,000 [illegible]. The stock [illegible] boosted by [illegible] number of bullish factors, including a suggestion that [illegible] private Dutch group, may have been adding to its shareholding, last revealed as being 9.14 per cent.

Burmah was also claimed to be one of the main beneficiaries of lower UK interest rates, which would have a big effect on the company's equity/debt gearing.

Reports [illegible] a possible link-up between Burmah Castrol and Calor Group, the bottled gas concern in which SHV has a [illegible] stake, [illegible] been around for some time, and a number of specialists continue to expect a deal to materialise. Calor, [illegible] other hand, per[illegible] relatively poorly; [illegible] on turnover [illegible] only 119,000 shares.

Electricity shares maintained their good performances, respon[illegible] cold weather factor. The Electricity Package moved up to £1855 prior to settling a net 32 higher at £1840. Of the individual stocks, Manweb climbed to a record [illegible] before closing 7 up at 212p, albeit in relatively thin trading of 746,000 shares.

Large lines [illegible] stock in the water [illegible] up on [illegible] Seaq [illegible] in [illegible] session. A block [illegible] Thames Water shares changed hands at 306p, while a line of 943,000 North West was booked at 301p and 900,000 Anglian recorded at 302p. Thames settled 6 up at 305p, Anglian 4 firmer at 302p and North West 3 ahead at 301p.

Reports that contractors building the Channel tunnel had achieved a breakthrough in their claim for substantial extra payments from Eurotunnel depressed the shares 13 to 475p.

British Airways was up 8½ at 141p ahead of its third quarter results due today. After the market [illegible] unions [illegible] senting [illegible] at BA [illegible] company would [illegible] job [illegible].

[illegible] oil [illegible] gas [illegible] of [illegible] disappointing [illegible] in spite of [illegible] continuing bad weather in [illegible] UK [illegible] on [illegible] Continent. British Gas, always quick [illegible] respond [illegible] consumption, could [illegible] only [illegible] minor improvement, closing a [illegible] 2½ ahead [illegible] 247½p [illegible] seen [illegible] disappointingly low turnover [illegible] 6.1m shares. Specialists [illegible] restrained by slight unease ahead [illegible] the publication of the Ofgas annual report. This [illegible] expected to again [illegible] on competition in the [illegible] industry and [illegible] the quality of [illegible] to [illegible] consumers.

Barclays [illegible] Wedd issued [illegible] on BP, and cut its fourth quarter dividend forecast to 3.95p from 4.25p. It pared the 1991 prediction from 17.1p to 16.6p, around the lowest in the market.

"The market is being far too optimistic about BP's dividend and will be disappointed when reality dawns," said BZW's Mr Jeremy Elden. He added that earnings and cash flow fundamentals do not support a dividend increase at this time. Net debt to equity, he said, is 61 [illegible] cent, [illegible] is 1.2 times; "our [illegible] reduced dividend [illegible] would be [illegible] by replacement [illegible] earnings [illegible] prices below $20 a barrel". BP reports fourth quarter figures on Thursday.

Bank [illegible] left behind by the [illegible] of the market, reacting [illegible] flurry of profit-taking. Abbey National, [illegible] have been [illegible] ting record levels recently, [illegible] restrained by [illegible] appearance of profit-takers [illegible] the day [illegible] 260p with 2.9m shares [illegible].

[illegible] banks, the [illegible] advancing [illegible] further 14 to 329p after another bout of [illegible] sive buying interest.

[illegible] of [illegible] rates produced gains throughout the building stocks. House[illegible] were chased higher throughout the session, [illegible] biggest percentage rises [illegible] in [illegible] smaller companies. [illegible] Developments, [illegible] to 57p only [illegible] worries [illegible] Californian housebuilding interests, [illegible] 7 [illegible] buying stimulated by [illegible] County [illegible] buy note. Cala climbed 11 [illegible] 96p.

Sheltered homes construc[illegible] Anglia [illegible] Homes [illegible] McCarthy [illegible] Stone were strongly supported, [illegible] latter adding 8 [illegible] and the former 5½ at 61p, after McCarthy's reassuring annual meeting.

A trickle of selling by UK and [illegible] institutions was met by [illegible] than enough buyers in Reuters but prevented [illegible] stock from maintaining its upward momentum [illegible] previous [illegible]. [illegible] company [illegible] final [illegible] today, and although analysts are confident [illegible] reasonable figures, [illegible] are [illegible] of [illegible] tone might [illegible] by [illegible] accompanying statement. [illegible] shares rose [illegible] 772p on good turn[illegible] of 1m.

Hanson continued [illegible] run ahead of tomorrow's first quarter figures. The shares put [illegible] 5½ [illegible] 218½p, their highest level since August 3. Turnover [illegible] busy [illegible]

BOC could manage a rise [illegible] only a [illegible] first quarter results due on Thursday.

Hunter Saphir, [illegible] food retailer, advanced 23 to [illegible] the company said it was in [illegible] which might [illegible] to a bid. The speculation was [illegible] Fyffes, [illegible] firmer at 91p ex-dividend, Albert Fisher, unchanged at 110p, or Geest, up 5 at 279p, could be the inter[illegible] parties.

Wickes, the DIY retailer, moved up 5 to 50p after the [illegible] announced [illegible] rights issue. The shares [illegible] on [illegible] belief [illegible] the additional capital could help it [illegible] recession. However, [illegible] lysts [illegible] surprised by [illegible] reaction. "This move up [illegible] anticipate [illegible] lot of good news on [illegible] Wickes is [illegible] out of [illegible] yet by any means," one [illegible] mented. Hillsdown, [illegible] owns [illegible] 20 per cent stake, was initially easier but [illegible] day 3 higher [illegible] 195p.

Amstrad shares were a nervous market ahead of today's interim figures, which [illegible] expected to show pre-tax profits in the region of £40m, compared with [illegible]. Amstrad [illegible] at [illegible].

Buyers chased property stocks, particularly [illegible] of smaller companies with depressed share prices which are deemed to be well-placed to recover as interest rates fall. This [illegible] painful [illegible] quarters. [illegible] climbed 6 [illegible] 154p [illegible] 4 to 17p.

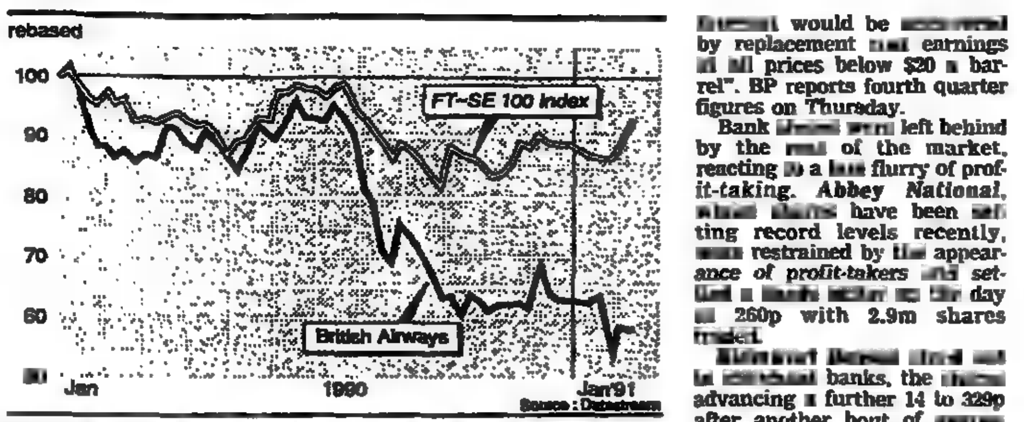
MEPC managed an improvement of just 4 to 541p after the company said it had agreed [illegible] sell [illegible] Eagle House development in London's Cannon [illegible] of China. MEPC did [illegible] the [illegible] price [illegible] development, which [illegible] costing £14m [illegible] build, but [illegible] had "significant [illegible] advantages".

[illegible] in [illegible] property sector to show a decline on the day was Mountleigh, as the company proposed a $280m (£140m) bid for Fairchild, the US engineering group. The shares dropped to 63p just after the announcement as it took some minutes for the fact that the bid was highly conditional to filter into the market. The shares recovered somewhat to end the day [illegible] net penny off [illegible].

Sports [illegible] maker Hi-Tec was 11 better [illegible] one point [illegible] annual profits would significantly [illegible] previous year's £6.4m and [illegible] previous record of £7m. The shares ended at 76p, a net improvement of 8.

Tootal added 2 at 66p after favourable broker comment and on [illegible] a [illegible] Courtaulds.

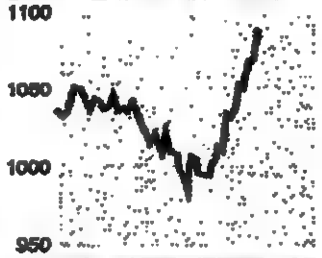
[illegible] statistics, including [illegible] index, Page 27.



Source: Datastream

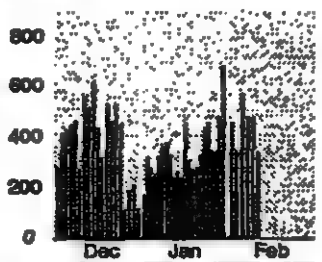
British Airways [illegible] underperforming the market even [illegible] the Gulf crisis. Higher oil prices have squeezed margins and further pressure came as the recession deepened in the last quarter of 1990. Passenger traffic has fallen sharply as the Gulf war has increased fears of terrorist activity. In today's third quarter [illegible] analysts expect BA [illegible] announce anything between a £20m loss and £30m profit, against £71m profit previously. Cost-cutting measures and large job [illegible] were disclosed yesterday, but the market doubts that this will be enough to reverse BA's underperformance.

FT-A All-Share [illegible]



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



NEW HIGHS AND LOWS FOR 1990/91

NEW HIGHS (53).
BRITISH FUNDS (4) INT.BANK & O'SEAS GOVT. STLG. ISSUES (1) AMERICANS (1) BANKS (7) BREWERS (1) BUILDINGS (5) STORES (7) ELECTRICALS (3) ELECTRICITY (3) FOODS (8) INDUSTRIALS (6) China Light, Creighton Naturally, Glaxo, Novo Nordisk B, Rank Orgsn. 8¼pc (Net) Cnv. Cm. Rd. Prf., Sanders & Sidney, SmithKline Beecham A, Do Equity Units. INSURANCE (3) PROPERTY (1) TRUSTS (16) OILS (1).

NEW LOWS ([illegible]).
[illegible] (2) [illegible] (3) [illegible] (3) INDUSTRIALS (14) AIM, Amber Indl., [illegible], Business Technology, Copymore, Doctus, Dyson (J. & J.), Hall Homes & Gardens, Hampson 6.5p (Net) Prf 1991/93, Marling Inds., Melville, RMT, Rock, TT. LEISURE (4) MOTORS (2) PAPERS (3) PROPERTY (3) TRANSPORT (3) TRUSTS (7) OILS (3) MINES (3).

FINANCIAL TIMES STOCK INDICES

	Feb 11	Feb 8	Feb 7	Feb [illegible]	Feb 5	Year Ago	1990/91 High	1990/91 Low	[illegible] Compilation High	[illegible]
[illegible] Secs	[illegible]	[illegible]	[illegible]	[illegible]	84.81	80.88	85.15 [illegible]	[illegible] (30/4/90)	[illegible]	[illegible]
[illegible]	[illegible]	93.60	93.53	[illegible]	[illegible]	[illegible]	93.61 (11/2/91)	83.80 [illegible]	105.4 (28/11/47)	[illegible]
[illegible]	1793.7	[illegible]	1756.2	[illegible]	1724.8	[illegible]	1968.3 (3/1/90)	1510.4 [illegible]	2008.6 [illegible]	49.4 [illegible]
[illegible]	137.1	138.1	131.7	129.2	[illegible]	[illegible]	378.5 [illegible]	129.2 [illegible]	734.7 [illegible]	[illegible]
FT-[illegible]	2279.0	2245.2	[illegible]	[illegible]	[illegible]	2286.90	2463.7 [illegible]	[illegible]	[illegible]	986.9 (23/7/84)
FT-SE [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	-	1003.35 (6/12/90)	900.45 (14/1/91)	1003.35 [illegible]	900.45 (14/1/91)
Ord. Div. Yield	5.35	[illegible]	[illegible]	5.57	[illegible]	[illegible]				
Earning Yld [illegible]	11.15	[illegible]	[illegible]	[illegible]	[illegible]	11.48				
P/E [illegible]	10.85	[illegible]	10.63	[illegible]	[illegible]	10.54				
SEAQ [illegible] 4.45pm	[illegible]	[illegible]	31,514	[illegible]	[illegible]	[illegible]				
Equity Turnover(£m)†	-	[illegible]	1117.05	937.63	[illegible]	[illegible]				
Equity [illegible]	-	[illegible]	31,798	28,032	31,761	[illegible]				
[illegible] Traded (mil)†	-	342.2	[illegible]	489.5	571.0	[illegible]				

Basis [illegible] 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, [illegible] mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE [illegible] 100 31/8/90. ☆ [illegible]

Ordinary Share [illegible] Day's High 1795.8 Day's Low [illegible]

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1766.7	1768.3	1779.9	1780.2	1783.7	1786.3	1785.8	1788.6	1795.5

FT-SE, Hourly changes Day's High 2280.9 Day's Low 2252.5

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2252.5	2253.9	2268.2	2268.6	2270.9	2272.9	2271.9	2274.2	2280.5

FT-SE Eurotrack 100, hourly changes Day's High 998.73 Day's Low 995.91

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
996.37♠	997.73♠	998.22	997.62	998.29	998.02	996.38

GILT EDGED ACTIVITY

Indices*	Feb [illegible]	Feb 7
Gilt Edged Bargains	[illegible]	103.5
5 – Day [illegible]	[illegible]	[illegible]

*SE Activity [illegible]
†Excluding [illegible] turnover.

London report [illegible] index:
Tel. 0898 [illegible]

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
AGT	2,200	[illegible]	+5
ASDA Group	3,300	127	+3
Abbey National	3,200	260	-1
Albert Fisher	2,600	110	+1
Allied-Lyons	1[illegible]	512	+4
Amstrad	3,100	[illegible]	-3
Anglian Water	1,200	[illegible]	+4
Argos	1,600	280	+10
Argyll Group	1,000	282	+3
Ass. Brit. Foods	255	480	+1
BAA	986	351	+5
BAT Inds.	2,300	648	+3
BET	3,200	[illegible]	+3
[illegible]	2,300	383	+13
[illegible]	713	545	+1
[illegible] Inds	651	211	[illegible]
BTR	2,500	354	+7
Bank of Scotland	4,800	[illegible]	+2
Barclays	3,000	[illegible]	+4
Bass	734	874	+15
Beazer	1,300	116	+1
Berisford Int.	2,700	28	+2
Blue Circle	2,800	243	+3
[illegible]	3,250	[illegible]	+3
Bowater	412	483	+15
Brit. Aerospace	359	561	+6
British Airways	4,600	[illegible]	+8½
British Gas	3,700	247½	+2½
British Land	870	[illegible]	+4
BP	4,000	318	+2
British Steel	2,900	134	+3½
British Telecom	5,400	293½	
Bunzl	1,700	[illegible]	+1
Burmah Castrol	632	632	+14
Burton	2,900	92	+4
Cable & Wire.	748	487	+5
Cadburys	1,900	346	+6
Calor Group	115	329	-1
Carlton Comms	726	375	+10½
Coats Viyella	468	110	+2
Comm. Union	842	483	+4
Cookson	735	118	+4
Courtaulds	1,000	346	+10
Dalgety	1,500	370	+2
Dixons	2,500	171	+8
ECC Group	780	383	+11
Eastern Elect.	2,100	176	+2
East Midland Elect.	783	179	+2
Enterprise Oil	837	548	+6
Eurotunnel Units	1,100	475	-13
FKI	2,400	40	+2
F[illegible]	1,100	11	+2
Fisons	1,900	396	+10
Gen. Accident	539	624	+20
General Elect.	10,000	192½	+2
[illegible]	1,400	630	+15
[illegible] Ind.	285	234	+[illegible]
[illegible]	445	171	+2
Grand Met.	1,400	700	+9
[illegible]X	635	1215	+27
GRE	4,800	203	+8
[illegible]	765	336	+12
[illegible]	1,800	786	+17
[illegible] 'A'	300	620	+20
[illegible]	8,500	218½	+8
[illegible] Warrants	748	[illegible]	+3
Harrisons Crosfield	717	144	+2
Hawker Sidd.	632	487	+17
Hillsdown	813	195	+3
IMI	411	218	+7
ICI	1,800	978	+8
Inchcape	13,000	348	-4
Kingfisher	1,400	401	+1
Ladbroke	3,800	229	
Land Securities	1,500	508	+8
Laporte	300	582	+6
Legal & General	1,800	387	+11
Lloyds Abbey	478	387	+9
Lloyds Bank	1,900	329	+1
LASMO	1,300	370	+9
London Elect.	2,100	184	+6
Lonrho	2,000	200	+8
Lucas	1,100	145	+2
MB Caradon	797	191	+6
MEPC	373	541	+4
Manpower	747	85	+2
Manweb	748	212	+7
Marks & Spencer	[illegible]	346	+6
Maxwell Comms	[illegible]	152	+2
Midland Bank	[illegible]	180	+3
Midlands Elect.	[illegible]	180	+4
NatWest Bank	[illegible]	310	+4
Next	[illegible]	27½	+3
North [illegible]	[illegible]	301	+3
Northern Elect.	[illegible]	195	+7
Northern Foods	[illegible]	394	+3
Norweb	[illegible]	190	+4
Pearson	[illegible]	875	+10
P & O	[illegible]	541	+18
Pilkington	[illegible]	174	+5
Prudential	[illegible]	222	+7
RHM	[illegible]	312	+3
RMC	[illegible]	683	+14
RTZ	[illegible]	482	+11
Racal	[illegible]	184	+5
Racal Telecom	[illegible]	298	+10
Rank Org.	[illegible]	678	+21
Reckitt & Colman	[illegible]	[illegible]	+8
Redland	[illegible]	515	+14
Reed Intl.	[illegible]	385	+8
Reg. Elect. Pkg Uts	[illegible]	£1840	+32
Reuters	1,000	772	+13
Rolls Royce	10,000	151½	+3½
Rothmans	307	730	+8
Ryl Bk Scotland	1,200	181	+6
Royal Insurance	1,300	403	+19
Saatchi	1,800	23	
Sainsbury	2,500	349	+8
Scottish & New.	1,000	399	+6
Sears	3,700	88	+1½
Sedgwick	1,100	243	+8
Seeboard	983	176	+5
Severn Trent Water	587	284	+2
Shell Transport	2,500	489	+6
Siebe	881	311	+8½
Slough Ests	361	241	+7
Smith (W.H.) A	1,900	342	+8
Smith & Nephew	3,900	98	+2½
SmKl Beecham	1,200	876	+10
SmKl Beecham Uts.	[illegible]	2335	+52
Smiths Inds.	[illegible]	259	+3
[illegible] Elect.	[illegible]	178	+3½
[illegible]	[illegible]	186	+3
[illegible]	[illegible]	315	
[illegible]	129	180	-2
[illegible]	700	281	+7
[illegible]	480	272	+4
[illegible]	885	713	+4
[illegible]	1,500	366	+19
Sun Life	[illegible]	1080	+6
T&N	[illegible]	187	+6
TI Group	[illegible]	425	+4
TSB	[illegible]	150	+7½
Tarmac	[illegible]	254	+8
Tate & Lyle	[illegible]	306	+1
Taylor Woodrow	[illegible]	250	+10
Tesco	[illegible]	239	-2
Thames Water	[illegible]	305	+6
Thorn EMI	[illegible]	643	+10
Trafalgar House	[illegible]	228	+11
Trusthouse Forte	[illegible]	237	+2
Ultramar	[illegible]	315	+4
Unigate	[illegible]	296	+8
Unilever	[illegible]	713	+25
United Biscuits	[illegible]	365	+6
Utd. Newspapers	[illegible]	313	+6
Water Package Uts.	7	£3016	+38
Wellcome	844	488	+6
Welsh Water	142	326	+8
Wessex Water	925	332	+8
Whitbread 'A'	1,300	488	+1
Wiggins Teape	988	197	+6
Williams Hldgs.	2,800	383	+9
Willis Corroon	1,000	281	+6
Wimpey	59[illegible]	180	+11
Yorkshire Elect.	911	188	-1
Yorkshire Water	120	309	+8

Based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 4.30pm.

APPOINTMENTS

Changes at Ibstock Johnsen

■ Mr Ian Maclellan has been appointed group managing director of IBSTOCK JOHNSEN. He was joint managing director with Mr Richard Boxall who has taken early retirement. Joining the main board are Mr John Milham, managing director, Ibstock Building Products, and Mr [illegible] Aspden who [illegible] finance director - he was [illegible] of group finance.

■ HUNTING OILFIELD SERVICES, Aberdeen, has restructured. Mr Brian Green has been appointed sales and marketing director of the connector products division; Mr Sam McClements joins the board as director of the oil country tubular goods division; Mr Bill Thompson joins as commercial and operations director, connector products division; and Mr Alan Turner becomes engineering director.

■ Mr Ian Percy becomes GRANT THORNTON's senior partner in Scotland when his year as president of the Institute of Chartered Accountants of Scotland is completed.

■ NM FINANCIAL MANAGEMENT has appointed Mr Nick Dunseath as managing director, NM Unit Trust Managers. He was managing director of NM Life Assurance and continues as a director, as well as director of NM UK. Mr Mark Pearson, agency director, direct sales, becomes director, marketing and sales, and joins the board of NM Life Assurance.

■ Mr Anthony Burgess-Webb has been promoted to group marketing director [illegible] HILL AND KNOWLTON (UK). He remains managing [illegible] Hill [illegible] Knowlton, Manchester.

■ Mr Alan Jackson, managing director and chief executive of BTR, has been appointed to the board of the RESERVE BANK OF AUSTRALIA for five years.

■ Mr Alan J.M. Lawson has been promoted [illegible] managing director [illegible] FORBO-NAIRN, Kirkcaldy. He [illegible] deputy managing director and succeeds Mr Ronald [illegible] Morris, [illegible] retires.

■ Mr Gordon Y[illegible], general manager, money transmission, at the Co-operative Bank, has been elected chairman of the CHEQUE AND CREDIT CLEARING COMPANY which is responsible for the day-to-day operations of the English and Welsh bulk paper clearing system of member banks and building societies.

■ THE LANDS IMPROVEMENT GROUP has appointed Mr Robin Herbert to the board. He will succeed Mr Leonard G. Hall as chairman following the annual meeting in May.

NABARRO NATHANSON has appointed Mr Simon Howell (pictured) [illegible] finance [illegible]. He [illegible] general [illegible] finance, [illegible] S.G. Warburg Group, working primarily in [illegible] markets. Prior [illegible] that [illegible] was financial director [illegible] Mills and Allen.

■ Mr Nigel McConnell has joined the board of ELECTRA KINGSWAY as a director responsible for de[illegible] private equity transactions in the UK and Europe. He was a director of Prudential Venture Managers.

■ CENTURY OILS [illegible] appointed Mr Michael Cottrell as a non-executive director. He was [illegible] director [illegible] Courage [illegible] to 1987.

■ [illegible] BROTHERS & CO has appointed Mr Adrian Evans as an executive director, [illegible] Mr Nicholas [illegible] an [illegible] director. Mr [illegible] was managing director of [illegible] Group, and Mr [illegible] executive [illegible] The Sunday Correspondent.

■ UBS PHILLIPS & DREW has appointed Mr Bruce Gaitskell as a director and [illegible] of [illegible] Group's securitisation unit. He joins [illegible] Mortgages, where [illegible] was [illegible] executive.

Mr Jonathan Rashleigh (pictured) [illegible] appointed [illegible] LEGAL & GENERAL VENTURES. He [illegible] financial controller, 3i Group. Mr Tim Howard has [illegible] appointed marketing planning [illegible] general insurance division, [illegible] General.

LONDON SHARE SERVICE

BRITISH FUNDS

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		"Shorts" (Lives up to [illegible] Years)				
99½	92[illegible]	Funding 5½[illegible] '87-91‡‡	99½	.....	5.80	11.81
[illegible]	89½	Treas 3pc 1991	98¼	.....	3.06	11.77
99[illegible]	94[illegible]	Treas 10pc Cv '91‡‡	99[illegible]	.....	10.09	12.23
99[illegible]	94[illegible]	Exch [illegible] 1991	99[illegible]	.....	11.06	11.76
[illegible]	90[illegible]	Treas. [illegible]pc 1991	97¼	.....	8.23	11.52
101[illegible]	97[illegible]	Treas 12¾pc 199[illegible]	101¼	.....	12.59	11.37
[illegible]	92¼	Treas [illegible]pc 1992	98[illegible]	.....	10.13	11.37
[illegible]	89[illegible]	Treas. [illegible] 1992‡‡	96½	.....	8.29	11.25
99[illegible]	[illegible]	Treas 10¼pc Cv 1992‡‡	99¼	.....	10.58	11.21
93[illegible]	82[illegible]	Treas 3pc 1992	92¾	.....	3.24	9.11
101[illegible]	95[illegible]	Exch. 12¼pc '92	101[illegible]	.....	12.05	11.11
104	[illegible]	Exch [illegible]½pc 1992	103¾	.....	13.03	[illegible]
95[illegible]	[illegible]	Treas 8¼pc 1993	95[illegible]	–[illegible]	8.63	[illegible]
[illegible]	90[illegible]	Treas 10pc 1993‡‡	98[illegible]	–[illegible]	10.13	10.70
104	96[illegible]	Treas 12½pc 1993‡‡	103[illegible]	–[illegible]	12.03	10.65
[illegible]	82	Funding 6pc 1993‡‡	91[illegible]	+[illegible]	6.56	9.75
[illegible]	99[illegible]	Treas 13¾pc 1993‡‡	107[illegible]	–[illegible]	12.80	10.62
[illegible]	84[illegible]	Treas 8½pc 1994	95[illegible]	.....	8.94	10.48
[illegible]	[illegible]	Treas 14½pc 1994‡‡	110[illegible]	.....	13.10	10.34
108[illegible]	99[illegible]	Exch 13½pc 1994	108[illegible]	–[illegible]	12.47	10.42
[illegible]	[illegible]	Treas. 10pc Ln. 1994‡‡	99¼	.....	10.09	10.33
106[illegible]	96[illegible]	Exch. 12½pc 1994	106¼	.....	11.78	10.39
95[illegible]	85	Treas 9pc 1994‡‡	95[illegible]	.....	9.39	10.38
105[illegible]	94[illegible]	Treas 12pc 1995	105[illegible]	.....	11.38	10.29
87	7[illegible]	Exch 3pc Gas 90-95	83½	.....	3.59	[illegible]
99¾	88[illegible]	Exch 10¼pc 1995	99¾	.....	10.26	10.29
109	97[illegible]	Treas 12¾pc 1995‡‡	109	.....	11.70	10.32
112¾	101[illegible]	Treas 14pc '96	112¾	.....	12.40	10.42
		Five to [illegible] Years				
95¾	82[illegible]	Treas. 9pc 1992-96‡‡	95¼	.....	9.40	10.07
119[illegible]	107[illegible]	Treas 15¼pc 1996‡‡	118¾	–[illegible]	12.84	[illegible]
111[illegible]	99[illegible]	Exch 13¼pc 1996‡‡	111[illegible]	–[illegible]	11.9[illegible]	[illegible]
99[illegible]	85[illegible]	Conversion 10pc 1996	99	–[illegible]	10.[illegible]	[illegible]
99[illegible]	97[illegible]	Do 10pc 1996 A ●	99	–[illegible]	10.[illegible]	[illegible]
112½	98[illegible]	Treas 13¼pc 1997‡‡	112½	.....	11.7[illegible]	[illegible]
101¼	87[illegible]	Exch 10½pc 1997	101¼	.....	10.37	[illegible]23
93[illegible]	79[illegible]	Treas 8¾pc 1997‡‡	93[illegible]	.....	9.36	[illegible]14
121¼	106½	Exch 15pc 1997	121[illegible]	–[illegible]	12.38	[illegible]
97[illegible]	83[illegible]	Exch 9¾pc 1998	97¼	.....	9.97	[illegible]
84[illegible]	70[illegible]	Treas 6¾pc 1995-98‡‡	84[illegible]	.....	7.9[illegible]	9.75
126[illegible]	110¼	Treas 15½pc '98‡‡	126[illegible]	–[illegible]	12.26	10.38
108[illegible]	93¼	Exch. 12pc 1998	108¾	–[illegible]	11.02	10.30
97[illegible]	82[illegible]	Treas 9½pc 1999‡‡	97	–[illegible]	9.79	[illegible]
110[illegible]	94[illegible]	Exch 12¼pc 1999	110[illegible]	–[illegible]	11.10	[illegible]
101[illegible]	85[illegible]	Treas 10½pc 1999	101[illegible]	–[illegible]	10.33	[illegible]
100[illegible]	84[illegible]	Conversion 10¼pc 1999	100[illegible]	–[illegible]	10.24	[illegible]
94[illegible]	78[illegible]	Conversion 9pc 2000‡‡	93[illegible]	–[illegible]	9.58	[illegible]
115[illegible]	98[illegible]	Treas 13pc 2000	115¾	–[illegible]	11.27	[illegible]
115[illegible]	113[illegible]	Do. 13pc 2000 A	115¾	–[illegible]	11.27	[illegible]
99[illegible]	82¼	Treas 10pc 2001	99[illegible]	–[illegible]	10.09	[illegible]
117[illegible]	102[illegible]	Treas 14pc '98-01	117¾	–[illegible]	11.93	[illegible]
97[illegible]	81[illegible]	Treas 9¾pc 2002	97[illegible]	–[illegible]	9.99	[illegible]
99[illegible]	82[illegible]	Treas 10pc 2003	99[illegible]	–[illegible]	10.07	[illegible]
99[illegible]	91[illegible]	Treasury 10pc 2003 "A"	99[illegible]	.....	10.09	[illegible]
107[illegible]	90[illegible]	Treas 11½pc 2001-04	107[illegible]	–[illegible]	10.75	10.34
57[illegible]	45[illegible]	Funding 3½pc '99-04	57¼	+[illegible]	6.11	9.13
96[illegible]	79[illegible]	Conversion 9½pc 2004	95¾	–[illegible]	9.91	10.06
96[illegible]	79[illegible]	Conversion 9½pc 2005	95[illegible]	–[illegible]	9.90	[illegible]
117¾	98[illegible]	Treas 12½pc 2003-05	116[illegible]	–[illegible]	10.71	[illegible]
		Over Fifteen Years				
84¾	69[illegible]	Treas 8pc 2002-06‡‡	84[illegible]	–[illegible]	9.52	10.02
111¾	93[illegible]	Treas. 11¾pc 2003-07	111[illegible]	–[illegible]	10.57	10.12
89[illegible]	73[illegible]	Treas 8½pc 2007‡‡	88[illegible]	–[illegible]	9.57	9.89
125[illegible]	105[illegible]	Treas. 13½pc '04-08	124[illegible]	–[illegible]	10.86	10.12
94½	77¼	Treas 9pc 2008‡‡	93[illegible]	–[illegible]	9.65	9[illegible]
85[illegible]	69[illegible]	Treas 8pc 2009	84[illegible]	–[illegible]	9.46	9.82
94¾	77¾	Conv 9pc Ln 2011‡‡	92[illegible]	–[illegible]	9.69	9.81
63¾	50[illegible]	Treas 5½pc 2008-12‡‡	62[illegible]	.....	8.83	9.74
8[illegible]	67¼	Treas 7¾pc 2012-15‡‡	82[illegible]	.....	9.53	9.83
122¼	100	Exch 12pc '13-'17	119[illegible]	–[illegible]	10.03	9.82
		Undated				
41[illegible]	33[illegible]	Consols 4pc	39¾	.....	10.09	–
[illegible]	29[illegible]	War Loan 3½pc‡‡	35[illegible]	.....	9.84	–
61[illegible]	55[illegible]	Conv. 3½pc '61 Aft	59¼	.....	5.92	–
32[illegible]	[illegible]	Treas. 3pc '66 Aft	29[illegible]	.....	10.20	–
25¾	[illegible]	Consols 2½pc	24¾	.....	10.05	–
25½	20¼	Treas. 2½pc	24¾	.....	10.15	–

BRITISH FUNDS—Contd

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		Index-Linked				
		(b)			(1)	(2)
[illegible]	110½	Tr. 2pc '92‡‡ (97.8)	126[illegible]	+[illegible]	2.01	4.27
[illegible]	103[illegible]	Do. 2pc '94 (102.9)	116[illegible]	+[illegible]	3.08	[illegible]
[illegible]	150½	Do. 2pc '96 (67.9)	169[illegible]	+[illegible]	3.30	3.82
140[illegible]	123[illegible]	Do 2½pc '01 (78.3)	137[illegible]	+[illegible]	3.99	4.26
136[illegible]	119[illegible]	Do. 2½pc '03 (78.8)	133[illegible]	+[illegible]	4.07	4.31
137[illegible]	122	Do. 2pc '06 (69.5)	135[illegible]	+[illegible]	4.11	4.30
127[illegible]	113[illegible]	Do. 2½pc '09 (78.8)	124[illegible]	+[illegible]	4.12	4.29
[illegible]	117[illegible]	Do. 2½pc '11 (74.6)	128[illegible]	+[illegible]	4.12	4.28
[illegible]	97[illegible]	Do. 2½pc '13 (89.2)	106[illegible]	+[illegible]	4.10	4.24
116[illegible]	105[illegible]	Do. 2½pc '16 (81.6)	114[illegible]	+[illegible]	4.08	4.19
113[illegible]	102[illegible]	Do. 2½pc '20 (83.0)	110[illegible]	+[illegible]	4.03	4.14
95[illegible]	86[illegible]	Do. 2½pc '24‡‡ (97.7)	92[illegible]	+[illegible]	3.97	4.09

[illegible] real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for [illegible] (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. [illegible] for May 1990: 126.2 and for December 1990: 129.9.

INT. BANK AND O'SEAS

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
[illegible]	84[illegible]	African Dv Bk 11¼pc Ln 2010	10[illegible]	+[illegible]	11.02	11.04
[illegible]	80[illegible]	Asian Dev Bk 10¼pc Ln 2009	[illegible]	–[illegible]	10.68	[illegible]
117	[illegible]	[illegible] 2009	110[illegible]	–[illegible]	11.27	[illegible]
[illegible]	[illegible]	[illegible] 2015	[illegible]	–[illegible]	10.67	[illegible]
11[illegible]	[illegible]	Mexican States 16½pc 2008	10[illegible]	.....	15.14	[illegible]

CORPORATION LOANS

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
104	86½	Birmingham 11½pc 2012	102½	.....	11.22	11.20
94½	84[illegible]	GLC 6¼pc 1990-92	94[illegible]	.....	7.14	11.90
112½	95	Leeds 13½pc 2006	112½	.....	12.00	11.88
30½	25	[illegible] Irred	29	.....	12.07	–
35	24	LCC 3pc '20 Aft	27	.....	11.11	–
[illegible]	[illegible]	Manchester 11½pc 2007	98½	.....	11.68	11.70

COMMONWEALTH & AFRICAN LOANS

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
206	206	S Rhod 2½pc Unassntd	[illegible]	.....	–	–
84½	84½	Do 4½pc 87-92 Asntd	[illegible]	.....	5.33	9.33

LOANS

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
		Building [illegible]				
109	99½	N'wide Anglia 3⅞pc IL 2021	102½	.....	–	5.39
109	99[illegible]	Do. 4.25pcIL '24	104½	.....	–	4.98
		[illegible] Board and Ind.				
56	41	Met. Wtr. 3pc 'B'	52	.....	5.77	9.70

FOREIGN BONDS & RAILS

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Div %	Red. Yield
50	50	Greek 7pc Ass	50		3.50	7.00
50	50	Do 6pc 28 Stb. Ass	50		3	6.00
50	50	Do 4pc Mixed Ass	50		2	4.00
80	80	Hung. '24 Ass	80		2.75	[illegible]
128¼	108[illegible]	Hydro Quebec 15pc 2011	126[illegible]		12.89	11.59

AMERICANS

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
24¾	18¾	Abbott Laboratories[illegible]	22[illegible]		84c	–	1.9
610p	257p	♦Alleghany & W 1c	363p	+106	30c	–	4.2
10¾	543p	Amdahl 5c	822p	+16	10c	–	0.6
34½	21[illegible]	Amer. Cyanamid $5	28[illegible]	+[illegible]	$1.35	–	2.4
21[illegible]	8[illegible]	Amer. Express 60c	12¼	+[illegible]	92c	–	3.1
28[illegible]	15[illegible]	American T. & T. $1	17[illegible]	+[illegible]	$1.32	–	3.[illegible]
42¼	27[illegible]	Ameritech $1	34[illegible]	+[illegible]	$3.14	–	[illegible]
586p	116p	♦Atlantic Equity[illegible]	207p	+6			
19[illegible]	8[illegible]	BankAmerica $1.5	16[illegible]	–[illegible]	$1.20	–	3.8
27[illegible]	15[illegible]	Bankers N.Y. $1	22[illegible]	+[illegible]	$2.12	–	4.7
35[illegible]	21	Bell Atlantic $1	25[illegible]	+[illegible]	$2.52	–	5.1
36[illegible]	25	BellSouth Corp	26[illegible]	+[illegible]	$2.68	–	5.1
13[illegible]	5[illegible]	♦Bethlehem Steel $8	7[illegible]	+[illegible]	40c	–	2.7
19[illegible]	816p	Bowater Inc	1179p	–5	$1.20	–	5.2
9[illegible]	3[illegible]	Brunswick 75c	6[illegible]	+[illegible]	44c	–	3.4

AMERICANS—Contd

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Div Gross	C'vr	[illegible]
46¾	35[illegible]	CPC Intnl. 25c	39[illegible]	+1[illegible]	$2.00	–	[illegible]
930p	358p	California Energy	42[illegible]			–	
36[illegible]	23½	Campbell Soup 15c	32[illegible]	+[illegible]	$1.16	–	[illegible]
21[illegible]	5[illegible]	Chase Manhattan $12½	7[illegible]	+[illegible]	$1.20	–	[illegible]
12[illegible]	5[illegible]	Chrysler $6¼	8[illegible]	–[illegible]	$1.20	–	[illegible]
18[illegible]	5[illegible]	Chicorp $1	7[illegible]	–[illegible]	$1.00	–	[illegible]
40[illegible]	29[illegible]	Colgate-Palmolive $1	36[illegible]	+[illegible]	$1.80	–	[illegible]
12[illegible]	386p	Cont'l Bank Corp $4	60[illegible]	–8	$1.00	–	[illegible]
268p	51p	♦Corporate Data Scien.	51[illegible]			–	
22[illegible]	10[illegible]	Dana Corp. $1	15[illegible]		$1.60	–	5.1
768p	178p	Data General	433p	+5		–	
29[illegible]	18[illegible]	Dun & Bradstreet $1	23[illegible]		$2.12	–	4.5
37[illegible]	21	Eaton Corpn. 50c	27[illegible]	+[illegible]	$2.20	–	3.7
10[illegible]	4[illegible]	Echlin Inc	6[illegible]	+[illegible]	70c	–	3.8
14[illegible]	13[illegible]	FPL Group 1c	15[illegible]	+[illegible]	$2.36	–	7.9
29[illegible]	15	Fluor Corp 62½pc	22[illegible]	+[illegible]	32c	–	0.7
[illegible]	12[illegible]	Ford Motor $1	15[illegible]	+[illegible]	$3.00	–	9.7
[illegible]	25[illegible]	Gen. Elect. 63c	32[illegible]	–[illegible]	$2.04	–	3.2
44[illegible]	205p	♦General Host Corp $1	357p	–[illegible]	32c	–	4.4
35[illegible]	25[illegible]	Gillette $1	33[illegible]	+[illegible]	$1.08	–	1.6
32[illegible]	22[illegible]	Gt. American Bank $1	69p			–	
20[illegible]	10[illegible]	Greyhound Dial $1½	14[illegible]	+[illegible]	$1.32	–	4.8
12[illegible]	583p	Hasbro Inc 50c	11[illegible]	+[illegible]	20c	–	0.9
39[illegible]	18[illegible]	Honeywell $1½	36[illegible]	+[illegible]	$1.50	–	2.9
21[illegible]	16	Houston Inds. $	19	+[illegible]	$2.96	–	7.9
[illegible]	49[illegible]	IBM Corpn $1¼	64[illegible]	+[illegible]	$4.84	–	3.7
[illegible]	14[illegible]	Ingersoll-Rand $2	22[illegible]	+[illegible]	$1.32	–	3.0
25[illegible]	12[illegible]	Lockheed Crpn. $1	21[illegible]		$1.80	–	4.3
11[illegible]	7[illegible]	Lone Star Inds $1	7[illegible]		$1.70	–	12.9
22[illegible]	18[illegible]	Louisiana Land 15c	21[illegible]	+[illegible]	$1.00	–	2.4
2[illegible]	939p	Lowe's 50c	1518p	+45	52c	–	1.7
22[illegible]	8[illegible]	Manuf. Hanover $15	12[illegible]	–[illegible]	$3.28	–	13.5
16[illegible]	8[illegible]	Merrill Lynch $1	13[illegible]	–[illegible]	$1.00	–	3.8
[illegible]	[illegible]	Molex Inc	14[illegible]	+[illegible]	4c	–	0.1
[illegible]	16[illegible]	Morgan (JP) $2½	24[illegible]	+[illegible]	$1.98	–	4.1
30½	21[illegible]	Morris (Philip)	29[illegible]	+[illegible]	$1.72	–	2.9
36[illegible]	34[illegible]	NYNEX $1	37	–[illegible]	$4.56	–	[illegible]
21[illegible]	919p	PHH Corp	13[illegible]	+[illegible]	$1.20	–	[illegible]
22[illegible]	13[illegible]	Pall Corp. 25c	22[illegible]	+[illegible]	66c	–	[illegible]
55[illegible]	32[illegible]	Pennzoil 83 1/3c	35[illegible]	+[illegible]	$3.00	–	[illegible]
35[illegible]	21[illegible]	Quaker Oats $5	26[illegible]	+[illegible]	$1.56	–	[illegible]
30[illegible]	19[illegible]	Rep NY Corpn $5	27[illegible]	–[illegible]	$1.40	–	[illegible]
26[illegible]	10[illegible]	Rockwell Intl. $1	14[illegible]		86c	–	[illegible]
25[illegible]	11[illegible]	Sears, Roebuck 75c	14[illegible]	+[illegible]	$2.00	–	[illegible]
[illegible]	24[illegible]	Southwestern Bell $1	28[illegible]	+[illegible]	$2.76	–	[illegible]
25[illegible]	13[illegible]	Sun Co. Inc. $1	15[illegible]	–[illegible]	$1.80	–	[illegible]
31[illegible]	15[illegible]	TRW Inc. 62½c	20[illegible]	+[illegible]	$1.80	–	[illegible]
42[illegible]	20[illegible]	Tenneco $5	24[illegible]	+[illegible]	$3.20	–	[illegible]
37[illegible]	28[illegible]	Texaco $6.25	29[illegible]	–[illegible]	$3.20	–	[illegible]
25[illegible]	12	Texas Instr. $1	20[illegible]	+[illegible]	72c	–	[illegible]
81[illegible]	34[illegible]	Time Warner $1	49[illegible]	–1[illegible]	$1.00	–	[illegible]
18[illegible]	7[illegible]	TRINOVA Corp	11[illegible]	–[illegible]	68c	–	[illegible]
[illegible]	14[illegible]	USX $1	15[illegible]	+[illegible]	$1.40	–	[illegible]
408p	269p	♦Unilab	283p			–	
36[illegible]	21[illegible]	Utd. Technologies	24[illegible]	–[illegible]	$1.80	–	3.8
149p	51p	♦Utilitech Inc				–	
[illegible]	16[illegible]	US West	19[illegible]	+[illegible]	$2.00	–	5.2
[illegible]	14[illegible]	Waste Management $1	20[illegible]	+[illegible]	36c	–	0.9
20¼	907p	Whirlpool $1	1236p	+2	$1.10	–	4.5
20[illegible]	12[illegible]	♦Woolworth $3½	16[illegible]	+[illegible]	$1.04	–	3.2

CANADIANS

1990/91 High	1990/91 Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
9[illegible]p	1p	♦Abbot Energy Corp	8[illegible]p		–	–	–
12[illegible]	896p	♦Amer. Barrick Res	1050p	+28	–	–	–
17[illegible]	11[illegible]	Bk. Montreal	14[illegible]		$2.12	–	6.4
883p	464p	Bk. Nova Scot	612p	+4	$1.00	–	7.2
819p	609p	♦BC Gas $1	645p	+6	60c	–	4.1
24[illegible]	15[illegible]	BCE	18[illegible]	+[illegible]	$2.56	–	6.2
14[illegible]	616p	♦Bramalea	759p	+9	$1.04	–	6.0
148p	19[illegible]p	♦Breakwater Res	21[illegible]p	+1	10c	–	20.4
17[illegible]	954p	Can.Imp Bank	133[illegible]p	+2	$1.32	–	[illegible]
14	775p	Can. Pacific	978p	–2	92c	–	[illegible]
37	30	Do. 4pc Deb £100	30		04%	–	13.3
531p	157p	♦Central Cap 'A'	228p	–10	60c	–	11.6
428p	179p	♦Cons TVX Min	285p			–	
579p	158p	♦Corona Corp	191p			–	
510p	246p	♦Derlan Inds	276p	+21	28c	–	4[illegible]
12[illegible]	384p	♦Echo Bay Mines	412p	+6	7½c	–	0[illegible]
355p	135p	♦ECO Corp	152p	+5		–	
313p	95p	Gandalf Techs. Inc	125p	–2		–	
141p	53p	♦Granges Explr	69p	+4		–	
866p	362p	♦Gulf Canada	428p	–1	52c	–	5.3
14	875p	♦Hawker Sid Can	10[illegible]	+[illegible]	$1.08	–	4.4
11¾	703p	♦Hudson's Bay	1095p	+6	80c	–	3.2
34[illegible]	24[illegible]	♦Imperial Oil	25[illegible]	+[illegible]	$1.80	–	3.1
17[illegible]	11[illegible]	Inco	15[illegible]	+[illegible]	$1.00	–	2.9
113p	2[illegible]p	♦Muscocho Explo	3p			–	
200p	8p	♦Nth West Gold	8p			–	
462p	329p	♦Nova Corp of Alberta	395p	+7	42c	–	4.7
12[illegible]	701p	♦Rio Algom	845p	+43	85c	–	4.4
13[illegible]	862p	♦Royal Bk. Can.	1076p	+2	$1.16	–	4.7
97[illegible]p	8p	♦Sonora Gold Corp	18[illegible]p			–	
35[illegible]p	2[illegible]	♦Tara Pce Tech. Corp	8[illegible]p			–	
11	652p	Toronto-Dom. Bk	818p	–2	76c	–	4.1
923p	563p	♦Trans Can Pipe	732p	+6	72c	–	4.3
200p	87½p	♦Varity Corp	117p	–3	$1.30	–	–

Continued on next page

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LONDON SHARE SERVICE

BANKS, HP & LEASING

1990/91 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
£13¾	£9	ABN Amro Fl5	£9½	.....	[illegible]	2.1	8.8	5.3
303	121	ANZ SA1	132	+6	Q38c	1.9	11.7	4.6
267	172	Abbey National 10p	260	–1	5.7	4.3	2.9	10.5
•274	126	Allied Irish Ord	153	+5	†Q40%	3.3	5.9	6.9
85	47	Anglo Irish	55	+2	Q18.6%	2.3	7.6	7.2
93	58	Ansbacher (H.) 1p	58	.....	2.5	1.3	5.7	16.7
£71¾	£32¾	Bancaire Cie Fr100	£52⅞	+1	[illegible]	–	2.5	–
£22¼	£12½	Banco Bilbao Viz	£13¼	.....	[illegible]	2.7	6.2	6.0
£58½	£21½	Banco de Santander	£24½	.....	[illegible]	♦	5.0	♦
286	130	Bank Ireland Ir£1	163	+2	[illegible]	2.9	8.1	5.7
£19½	£18	Bank Leumi	£19½	.....	–	–	–	–
351	320	Bank Leumi (U.K.)£1	350	.....	†15.0	–	5.7	–
132	100	Bank Scotland	132	+2	†4.[illegible]	3.4	4.6	8.4
102¼	83¾	Do. 9¼pc Irrd Pf £1	102¼	+¼	9¼%	–	12.0	–
105¼	99½	Do. 9¾pc Pf £1	105¼	+½	9¾%	–	12.3	–
54	39	Bank of Wales	42	.....	2.8	0.8	8.9	(20.2)
428	290	Barclays £1	397	+4	†a19.57	3.5	6.6	5.5
22	9	Benchmark 20p	9	.....	0.75	–	11.1	–
335	195	Brown Shipley £1	209	+1	‡12.0	2.2	‡	6.8
•435	285	Cater Allen £1	420	+6	F24.5	–	7.8	–
179	29	Chancery	42	.....	†9.0	2.7	‡	1.7
£23¾	£14	Commerzbk DM10	£17½	+½	Q18%	–	3.6	–
£13¼	620	Dai Ichi KBk Y50	856	–12	Q17%	6.2	0.4	40.4
•£313½	£189¼	Deutsche Bk DM50	£220¼	+8¼	Q28%	–	2.1	–
£20⅞	£14⅝	Espirito Santo	£16¼	–½	Q75c	5.1	2.3	8.4
253	152	First Nat. Fin. 10p	166	+7	13.0	1.2	10.4	(9.9)
121	78	FNFC 6.3pc Cv Pf £1	86	+5	6.3%	–	9.8	–
£13¼	633	Fuji Bank Y50	1025	.....	†Q17%	6.9	0.3	[illegible].6
325	262	Gerrard & National	307	+3	19.0	–	8.3	–

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS – Contd

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS – Contd

ELECTRICITY

ENGINEERING

ENGINEERING – Contd

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) – Contd

INDUSTRIALS (Miscel.) – Contd.

INSURANCES

LEISURE

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LONDON SHARE SERVICE

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MOTORS, AIRCRAFT TRADES

1990/91 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
131	50	ABI Leisure 10p	50	.....	3.1	4.4	8.3	3.4
£14	£5¼	DAF N.V. Fl5	£6¼	+½	Q50%	2.0	11.9	4.1
149	79	General Mtrs Units	93	+5	Q12½%	–	6.8	–
41	9	March Group 5p	13	.....	–	–	–	–
£122¼	£101	Volkswagen DM50	£117¼	+3¼	Q22%	3.5	3.2	9.2
£44	£18¼	Volvo AB 'B' Kr25	£21	+1	Q62%	4.3	6.6	3.6

Commercial Vehicles

1990/91 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
259	68	ERF (Hldgs)	118	+3	10.0	1.6	[illegible]	7.2
180	48	Plaxton Grp	51	+1	8.5	2.0	22.2	2.8

Components

1990/91 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
463	420	Abbey Panels	463	.....	[illegible]	10.8	1.0	12.3
225	123	Airflow Streamlines	125	.....	6.0	3.0	6.4	7.0
190	145	Bostrom 5p	145	.....	5.75	3.1	5.3	6.6
266	145	Dowty 50p	156	+9	9.0	2.1	7.7	7.5
239	110	FR Group	133	+3	6.37	3.1	6.4	6.8
135	95	Kwik-Fit Hldgs. 10p	93	+3	2.4	2.3	3.4	17.2
174	102	Lucas Inds	145	+2	7.0	2.5	6.4	7.1
44	14	Do. Warrants	23½	.....	–	–	–	–
80	49	Mid-States 10p	49	–1	20.75	–	2.0	30.8

Garages and Distributors

1990/91 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
28	14	Alexanders 10p	16	.....	1.0	♦	8.3	♦
139	60	Appleyard 10p	62	.....	7.8	2.4	16.8	2.9
110	55	Blackley Motor 20p	70	.....	7.5	1.9	14.3	5.0
568	389	Caffyns 50p	388	+3	11.5	1.0	4.0	35.4
121	88	Central Motor Auctns	89	.....	3.5	♦	5.4	♦
61	15	Cook (D.C.) Hldgs 5p	17	.....	1.0	5.3	7.8	3.2
89	33	Cowie (T.) 5p	48	+6	4.2	1.5	11.7	6.7
95	56	Dagenham Motors 10p	76	.....	5.25	2.8	9.2	5.3
98	70	Davenport Vernon 10p	70	.....	4.0	♦	7.9	♦
247	158	Evans Halshaw	166	+1	11.25	2.4	9.0	6.1
113	68	Gates (F.G.)	71	+1	2.75	1.9	5.2	13.3
161	25	Gowrings 10p	35	.....	5.63	1.0	21.4	[illegible]
81	44	Jacks Wm	45	+1	2.0	1.0	[illegible]	22
118	41	Jessups	43	.....	7.0	1.0	21.7	6.
297	118	Lex Service	148	+18	15.3	1.9	13.	5.
147	50	Lookers	68	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Contd

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRANSPORT

INVESTMENT TRUST

INVESTMENT TRUST—Contd

INVESTMENT TRUST—Contd

Net asset values supplied by County NatWest Wood Mackenzie

FINANCE, LAND, ETC

WATER

OIL AND GAS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES—Contd

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

IRISH

TRADITIONAL OPTIONS

3-month call rates

Industrials

Property

Oils

Mines

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1,350 a year for each security shown, subject to the Editor's discretion.

FT MANAGED FUNDS SERVICE

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071 – 379 – 0444.

Continued on Page

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FT MANAGED FUNDS SERVICE

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TSB Unit Trusts (1200)H
Charlton Pl, Andover, Hants SP10 1RE 0264 346794

			Bid Price	Offer Price	+ or	[illegible]
TSB American	6	111.06	111.06	118.14	[illegible]	[illegible]
Do Accum	6	121.4	121.4	129.14	[illegible]	[illegible]
TSB Brit Growth	6	67.09	68.14	72.48	[illegible]	[illegible]
Do Accum	6	74.17	75.33	80.13	[illegible]	[illegible]
TSB European	6	66.72	66.72	70.97	[illegible]	[illegible]
Do Accum	6	69.15	69.15	73.56	[illegible]	[illegible]
TSB Extra Income	6	146.45	149.64	159.19	[illegible]	[illegible]
Do Accum	6	207.1	211.65	225.15	[illegible]	[illegible]
TSB Smaller Cos	6	37.14	38.64	41.1	[illegible]	[illegible]
Do Accum	6	38.94	40.51	43.09	[illegible]	[illegible]
TSB General	6	203.44	205.12	218.21	[illegible]	[illegible]
Do Accum	6	379.50	382.73	407.15	[illegible]	[illegible]
TSB Premier Income	5	42.59	43.21	45.01	[illegible]	[illegible]
Do Accum	5	76.22	77.34	80.56	[illegible]	[illegible]
TSB Income	6	272.1	277.57	295.28	[illegible]	[illegible]
Do Accum	6	505.83	516.01	548.94	[illegible]	[illegible]
TSB Pacific	6	191.66	193.21	205.54	[illegible]	[illegible]
Do Accum	6	199.43	201.03	213.86	[illegible]	[illegible]
TSB International	6	343.57	343.57	365.5	[illegible]	[illegible]
Do Accum	6	440.69	440.69	468.81	[illegible]	[illegible]
TSB Nat Resources	6	52.64	53.15	56.54	[illegible]	[illegible]
Do Accum	6	57.1	57.66	61.33	[illegible]	[illegible]
TSB Spcl Opps	6	69.5	71.1	75.63	[illegible]	[illegible]
Do Accum	6	82.94	84.85	90.26	[illegible]	[illegible]
Environmental Inv	6	41.63	42.32	45.02	[illegible]	2.51
Do Accum	6	42.95	43.66	46.44	[illegible]	2.51
TSB Selector	6	43.34	44.12	46.93	[illegible]	[illegible]
Do Accum	6	44.66	45.46	48.36	[illegible]	[illegible]
TSB High Income	6	46.62	47.26	50.27	[illegible]	[illegible]
Do Accum	6	47.86	48.52	51.61	[illegible]	[illegible]
TSB Intl Income	6	48.55	48.76	51.87	[illegible]	[illegible]
Do Accum	6	48.55	48.76	51.87	[illegible]	[illegible]
TSB Selector Income	6	46.8	47.34	50.36	[illegible]	[illegible]
Do Accum	6	46.8	47.34	50.36	[illegible]	[illegible]

[illegible] Trust Mngrs Ltd (1600)F
[illegible]e, Gatehouse Rd, Aylesbury, Bucks
[illegible]96 394000 Dealing: 0296 312156

[illegible] Eagle	5	65.49	65.49	69.92	+0.31	1.22
[illegible]	5	5.066	5.066	5.426	-0.03	4.92
[illegible]	5	148.8	148.8	159.7	+2.4	5.02
[illegible] Sits	5	98.36	98.36	105.5	+1.4	0.65
[illegible]	5	26.29	26.40	28.42	+0.48	5.25
[illegible]s Inc	5	57.33	57.33	61.67	+0.62	1.73
[illegible]s Acc	5	58.57	58.57	63	+0.63	1.73
[illegible]e Inc	5	32.78	32.78	35.34	-0.03	1.56
[illegible]e Acc	5	61.27	61.27	66.06	-0.07	1.56
[illegible]	5	94.55	94.55	101	+1.6	6.46
Japan & General	5	116.4	116.4	125	-0.4	0.00
Preference Share	5	17.70	17.92xd	19.2	-0.13	13.76
UK Capital	5	78.68	78.68xd	84.5	+1.34	4.13
World Income	5	[illegible]	58.27xd	62.7	-0.92	5.61
Worldwide Capital	5	[illegible]	152.1xd	163	+2.11	3.34

[illegible]leton Unit Trust Managers Ltd (1200)F
[illegible] Crescent, Edinburgh EH3 8HA 031 228 3932

[illegible] Growth Acc	6	98.52	99.15	106.04	+0.70	2.92
[illegible] Growth Inc	6	93.20	93.80	100.32	+0.66	2.92
Global Balanced Acc	6	99.43	99.73	106.67	+0.50	4.29
Global Balanced Inc	6	92.81	93.09	99.56	+0.45	4.29
Value Tst Acc	6½	71.91	73.01	78.08	+0.63	4.02
Value Tst Inc	6½	68.79	69.83	74.68	+0.60	4.02
Intl Pen & Ch ties Acc ¶	2	91.23	92.51	97.73	..	4.00
Intl Pen & Ch ties Acc ¶	2	88.14	89.39	93.84	..	4.00

Thornhill Unit Trust Managers Ltd (1200)F
28 St John's Sq, London EC1M 4AE 071-251 6767

Capital	5	43.04	48.32xd	51.40	..	3.82
Overseas	5	40.47	40.71	43.30	..	-
(Accum Units)	5	40.47	40.71	43.30	..	-

Thornton Unit Managers Ltd (1000)F
33 Cavendish Sq., London W1M 0DH 071-493 7262
Dealing 071-493 8545

American Opps	5	43.25	43.25	46.[illegible]	[illegible]	[illegible]
(Accum Units)	5	34.50	44.50	47[illegible]	[illegible]	[illegible]
Cash	0	50.38	50.58xd	50.[illegible]	[illegible]04	[illegible]14
Accum Units	0	52.34	52.34xd	52.[illegible]	[illegible]	[illegible]

	Bid Price	Offer Price	+ or -	Yield Gross
M & G Securities Ltd				
Charibond	100.2	100.2xd		10.78
(Accum Units)	545.8	54[illegible]	..	10.78
MAACIF Feb 5	-	39[illegible]	..	10.19
MIM Ltd				
Exempt Funds				
Intl Mngd P'Folio	100[illegible]	[illegible]	.	
Mngd Pens (Acc)	59[illegible]	[illegible]		-
Morgan Grenfell Unit Trust Managers Ltd				
Exempt Funds				
UK Equity 1 Jan 31	113.7	121.9		3.21
UK Small Co's Jan 31	413.7	451.9	..	2.36
Fixed Interest Jan 31	103.8	109.1	..	8.14
US Small Co Jan 31	116.3	124.2		0.00
Managed Jan 31	95.54	101.7		1.43
Intl Bond Jan 31	109.7	115.7		7.91
Japan Jan 31	61.39	65.60		1.04
European Jan 31	77.32	82.40		1.78
Nth American Jan 31	86.42	92.70		1.52
Murray Johnstone UT Mngmt				
Murray Exempt Funds				
Amer Expt Feb 6	41.41	43.06xd	..	2.96
Euro Expt Feb 6	45.23	47.50xd	..	2.44
Fixed Int Ex Feb 6	45.91	47.05	..	10.50
Japan Expt Feb 6	39.29	40.86		1.43
Managed Ex Feb 7	38.54	40.08	..	3.02
SE Asia Expt Feb 6	58.15	61.05		4.05
Sm Cos Expt Feb 6	26.47	27.79		5.61
UK Eqty Ex Feb 6	36.03	37.84xd		4.84
Phillips & Drew Fund Management Ltd				
Small Co's Feb 5	570.0	609.8xd		5.94
Do Accum	640.3	684.9		5.94
Intl Expt Feb 6	151.0	153.8		3.16
UK Index Feb 5	1013	1030		5.85
Do Accum	1083	1101		5.85
Convertible Feb 8	84.6	87.36	+2.98	8.61
Worldex UK Index Feb 4	662.5	670.9xd		2.53
Do Accum	662.5	670.9		2.53
Japan Index Feb 4	515.6	522.7xd		0.67
Do Accum	516.9	523.9		0.67
USA Index Feb 4	795	799.8xd	..	4.19
Do Accum	814.6	819.4		4.19
Europen UK Index Feb 4	781.0	800.4xd		3.25
Do Accum	798.7	818.5		3.25
Pacific ex Jap Index Feb 4	726.0	747.0xd		5.54
Do Accum	753.1	774.7		5.54
Managed Exempt Feb 6	91.92	93.78		5.81
American Exempt Feb 6	110.1	112.1		3.71
European Exempt Feb 6	104.6	106.1		4.15
Japan Exempt Feb 6	98.25	100.4		0.15
Pacific Basin Feb 6	99.32	102.8		4.08
NM Rothschild Asset Management Ltd				
NC Managed	56.3	59.9	+0.6	3.88
NC Property	174.3	191.2		-
J. Rothschild Fund Managers Ltd				
Intl Exempt Accum	119.4	120.3	..	5.44
Stewart Ivory & Co Ltd				
Saints PPP Jan 14	228.5	240.6	.	-
Closed to new business				
Thornton Unit Managers Ltd				
Managed Exempt Feb 1	80.91	84.89xd	..	4[illegible]
(Accum Units)	83.47	87.57	..	4[illegible]
Touche Remnant Unit Tst Mngt Ltd				
TR Ex European Feb 7	884	896		[illegible]
TR Ex Nth Amer Feb 7	829	846		[illegible]
TR Ex Pac Basin Feb 7	649	660		[illegible]
TR Ex Smlr Cos Inc Feb 7	1006	1041		[illegible]
TR Ex Smlr Cos Acc Feb 7	1006	1041		[illegible]

INSURANCES

	Bid Price	Offer Price	+ or -	Yield Gross
Allied Dunbar [illegible] Plc – [illegible]				
Baring Funds				
Pen Equ Cap	[illegible]	29.1	+0.3	-
Pen Equ Acc	[illegible]	32.1	+0.3	-
Pen Am Eq Cap	[illegible]	30.4	+0.1	-
Pen Am Eq Acc	[illegible]	33.5	+0.1	-
Pen Far East Cap	[illegible]	26.6	+0.1	-
Pen Far East Acc	[illegible]	29.3	+0.1	-
Pen Euro Cap	[illegible]	39.2	+0.5	-
Pen Euro Acc	[illegible]	43.4	+0.7	-
James Capel Funds				
Pen Equ Cap	26.0	27.4	+0.2	-
Pen Equ Acc	28.6	30.2	+0.2	-
Pen Am Eq Cap	25.2	26.6	-0.2	-
Pen Am Eq Acc	27.9	29.4	-0.2	-
Pen Far East Cap	25.4	26.8	+0.1	-
Pen Far East Acc	28.1	29.6	+0.2	-
Pen Euro Cap	30.7	32.4	+0.3	-
Pen Euro Acc	33.9	35.7	+0.3	-
Ambassador Life Assce. Co Ltd				
80 Holdenhurst Rd, Bournemouth 0202 292345				
Equity Fund Acc	152.7	160.81	+0.71	-
American Life Insurance Co UK				
2-8 Altyre Road, Croydon CR9 2LA 081-680 6000				
Life Funds (Accumulation Units)				
Premier Managed(z)	142.9	150.6	+1.0	-
Alpha Managed(z)	90.8	95.7	+0.6	-
NICA Managed(z)	83.1	87.3	+0.6	-
Pension Funds (Accumulation Units)				
Premier Managed(z)	[illegible]1.5	180.6	+1.1	-
Alpha Managed(z)	[illegible].1	104.4	+0.7	-
Avon Insurance Plc				
Tiddington Rd, Stratford-upon-Avon CV37 0789 204211				
[illegible] Fund	76.0	77.6	+3.4	-
Barclays Life Assur. Co Ltd				
252 Romford Road, London E7 081-534 5544				
Barclaybond	416.2	438.2	+3.6	-
Managed Accum	348.3	366.7	+3.1	-
Equity Accum	546.1	574.9	+5.5	-
Property Accum	273.4	287.8	+0.2	-
International Accum	246.3	259.3	+2.4	-
Gilt-edged Accum	267.1	281.2	+0.8	-
Money Accum	238.7	251.3	+0.6	-
American Accum	154.1	162.3	+0.5	-
Australia Accum	120.4	126.8	+2.0	-
Fina[illegible]	209.5	220.6	+1.8	-
"50[illegible]	266.5	280.6	+1.5	-
Euro[illegible] Accum	170[illegible]	179.5	+3.5	-
Inco[illegible]	337[illegible]	355.4	+3.7	-
Japa[illegible] Accum	277[illegible]	292.5	+0.8	-
Leisu[illegible]	166.3	175.1	+0.9	-
Spec[illegible]	131.7	138.7	+1.9	-
Universal T[illegible]	91.9	96.8	+1.2	-
Smaller Co[illegible] Accum	83.6	88.0	-0.4	-
Do Initial	75.2	79.2	-0.3	-
Managed Pns Accum	541.5	570.0	+4.8	-
Equity Pns Accum	230.8	243.0	+3.0	-
[illegible]um	131.4	138.4	+0.9	-
[illegible]s Accum	426.4	448.9	+0.4	-
[illegible]ccum	407.6	429.1		-
[illegible] Accum	166.9	175.7		-
[illegible] Accum	86.1	90.7	+0.4	-
[illegible] Accum	107.4	113.1	+1.1	-
[illegible]ns Accum	76.0	80.0	-0.4	-
[illegible]ens Accum	81.7	86.0	+1.2	-

	Bid Price	Offer Price	+ or -	Yield Gross
City of Westminster Assurance (z)				
PO Box 469, 500 Avebury Blvd, Milton Keynes M[illegible]				
Current Series				
Property Fund	211.5	222[illegible]	(z)	-
Secure Gwth Fund	308.8	325	(z)	-
Managed Fund	397.8	418	(z)	-
Equity Fund	219.9	231	(z)	-
Fixed Interest Fund	162.2	170	(z)	-
Far East Fund	313.2	329	(z)	-
North American Fund	092.5	97.47	(z)	-
Natural Resources Fund	209.8	220.9	(z)	-
Pension Managed Fund	470.4	495.2	(z)	-
Pension Equity Fund	228.7	240.8	(z)	-
Pensions Fixed Int	169.2	178.2	(z)	-
Pensions European	124.7	131.3	(z)	-
Pensions Intl	139.3	146.7	(z)	-
Pens Adventurous Mgd	193.8	204[illegible]	(z)	-
Pensions Balanced Mgd	191.0	201[illegible]	(z)	-
Pens Conservative Mgd	160.9	169[illegible]	(z)	-
Adventurous Mngd Fd	139.9	147.3	(z)	-
Balanced Mngd Fd	161.9	170.5	(z)	-
Conservative Mngd Fd	163.1	171.7	(z)	-
European Fund	109.6	115.4	(z)	-
International Fund	133.2	140.3	(z)	-
Clerical Medical/Fidel[illegible] Investments				
Narrow Plain, Bristol BS2 0JH 0272 290566				
Investment Funds				
Ruby	95.2	100.3	+0.5	-
Sapphire/Mixed	185.6	195.4	+1.2	-
Emerald	110.0	115.8	+0.1	-
Equity	219.6	[illegible]	+2.0	-
Property	183.2	[illegible]		-
Gilt & Fixed Interest	149.3	[illegible]	+0.3	-
Indexed Securities	126.5	[illegible]	+0.1	-
Cash	152.2	[illegible]	+0.1	-
North American	117.9	[illegible]	+0.2	-
Far East	165.6	[illegible]	+0.2	-
International	136.0	[illegible]	+0.6	-
Special Situations	180.2	[illegible]	+1.4	-
International Income	193.8	204.0	+1.7	-
American Income	106.8	[illegible]	+0.2	-
European	206.1	[illegible]	+1.2	-
South East Asia Fund	153.3	[illegible]	+0.9	-
Japan Fund	100.7	[illegible]	+0.2	-
Evergreen	79.0	[illegible]	+0.6	-
Homeinvestor W-P Reg	120.9	[illegible]		-
Homeinvestor W-P Spec	120.9	[illegible]		-
Flexible Retirement Plan				
Mixed	190.3	200.4	+1.[illegible]	-
Equity	227.6	239.6	+2.[illegible]	-
Property	157.4	165.7		-
Gilt & Fixed Interest	165.7	174.5	+0.3	-
Indexed Linked	135.7	142.9	+0.2	-
Cash	188.4	198.4	+0.2	-
North American	136.2	143.4	+0.4	-
Far East	187.0	196.9	+0.3	-
International	165.4	174.2	+0.9	-
Special Situations	241.9	254.7	+1.5	-
European	254.4	267.8	+2.1	-
Executive Investment Pension Plan				
Prices on February 6 Unit dealings on Wednesday				
Cash Fd	229.3	241.4		-
Mixed Fd	264.6	278.6		-
Fixed Int Fd	209.6	220.7		-
UK Equity Fd	347.6	366.0		-
Property Fd	186.9	196.8		-
Overseas Fd	172.4	181.5		-
Index Linked Fd	147.2	155.0		-
Stock Ex Fd	217.6	229.1		-
North Am Fd	139.2	146.6		-
Far East Fd	186.6	196.5		-
Special Sits Fd	235.5	248.0		-
Europn Fd	248.5	261.6		-
Clerical Medical Investments Group				
Narrow Plain, Bristol BS2 0JH 0272-290566				
Performance Pension				
With-Profits (Reg)	138.3	145.6	+0.1	-

	Bid Price	Offer Price	+ or -	Yield Gross
[illegible]e Star Insur./Midl[illegible]				
[illegible] Mary Axe, London EC3 071-929 1111				
[illegible]/Mid. Units	179.1	185.6	+1.4	4.93
Economic Insurance Company Ltd				
London Rd, S[illegible]ngbourne, ME10 1PE 0795 424321				
Managed	112.1	118.0		-
Fixed Interest	116.5	122.7	..	-
Equity	118.5	124.8	..	-
Overseas Equity	88.2	92.9		-
Money	125.1	131.7		-
Pens Managed	113.6	119.6		-
Pens Fixed Interest	132.7	139.7		-
Pens Equity	119.6	125.9	..	-
Pens Overseas Equity	82.9	87.3		-
Pens Money	144.4	152.0		-
Equitable Life Assu[illegible] Society				
[illegible] St, Aylesbury Bucks [illegible] 7OW 0296 393100				
European	112.8	118.7	+1.1	-
Far Eastern	263.1	276.9	+0.8	-
Fd of Inv Tsts	198.7	209.2	+3.2	-
Gilt & Fixed Int	150.3	158.2	-0.2	-
High Income	238.6	251.2	+3.7	-
Intnl Growth	137.3	144.5	+1.1	-
Managed	171.5	180.5	+1.6	-
Money	147.4	155.2	+0.1	-
North American	134.3	141.4	+0.9	-
Pelican	204.1	214.8	+2.5	-
Property	170.5	179.5		-
Smaller Companies	92.2	97.0		-
Special Sits	190.1	200.1	[illegible]	-
School Fee Managed	186.7	196.5	[illegible]	-
Pension Funds				
European	106.4	112.0	+1.4	-
Far Eastern	290.6	305.9	+1.1	-
Fd of Inv T[illegible]	214.9	226.2	+4.5	-
Gilt & Fixed Int	155.8	164.0	-0.3	-
High Income	275.3	289.8	+5.5	-
International Growth	137.8	145.0	+1.5	-
Managed	186.7	196.5	+2.9	-
Money	185.0	194.8	+0.2	-
North American	132.1	139.1	+1.2	-
Pelican	222.[illegible]	233.9	+3.6	-
Property	185.1	194.8		-
Smaller Companies	90.9	95.7	+1.7	-
Special Sit	202.5	213.2	+4.1	-
Equity & Law				
Amersham Road, High Wycombe 0494 463463				
Reserve	109.7	115.4	+0.1	-
[illegible]ed	470.3	495.0	+2.6	-
[illegible]	94.5	99.4	+0.7	-
[illegible]	644.8	678.7	+6.8	-
[illegible]	650.2	684.4	+6.7	-
[illegible]	226.0	237.8		-
Far East	325.9	343.0	+0.3	-
Europe	262.4	276.2	+3.0	-
International	332.9	350.4	+2.3	-
Property	443.6	466.9		-
Fixed Interest	297.7	313.3	+0.6	-
Index Lnkd Secs	137.1	144.3		-
Gtd Deposit	237.3	249.7		-
Pens Reserve (z)	121.6	128.0	+0.1	-
Pens Balanced (z)	505.4	532.0	+4.1	-
Pens Opportunity (z)	99.8	105.0	+0.7	-
Pens Equity (z)	826.6	870.1	+11.5	-
Pens Higher Inc (z)	183.6	193.2	+3.3	-
Pens N America (z)	91.5	96.3	-1.1	-
Pens Far East (z)	170.9	179.8	+2.2	-
Pens Europe (z)	137.2	144.4	+0.6	-
Pens Overseas (z)	472.8	497.6	+2.6	-
Pens Property (z)	396.8	417.6		-
Pens Fixed Int (z)	375.2	394.9	+0.5	-
Pens Inter-Linked Sec (z)	172.9	182.0	+0.1	-
Pens Cash (z)	330.9	348.3		-

	Bid Price	Offer Price	+ or -	[illegible]
Guardian Royal Exchange – [illegible]				
GRE Linked Life Assurance Ltd				
Managed Initial	322.1	[illegible]	+5.5	-
Do Accum	421.6	[illegible]	+7.2	-
Equity Initial	487.3	[illegible]	+9.1	-
Do Accum	637.7	[illegible]	+12.1	-
Fixed Int Initial	312.9	[illegible]	+0.1	-
Do Accum	409.6	[illegible]	+0.2	-
Intnl Initial	302.6	[illegible]	+7.3	-
Do Accum	396.1	[illegible]	+9.7	-
North American Initial	108.0	[illegible]	+1.9	-
Do Accum	128.6	[illegible]	+2.3	-
Pacific Initial	165.5	[illegible]	+2.6	-
Do Accum	195.3	[illegible]	+3.0	-
European Initial	72.8	[illegible]	+2.7	-
[illegible]	80.1	[illegible]	+3.0	-
[illegible]itial	179.8	[illegible]		-
[illegible]	235.1	[illegible]		-
Index-Linked Gilt Init	129.7	[illegible]	[illegible]	-
Do Accum	154.5	[illegible]	[illegible]	-
Deposit Initial	173.1	[illegible]	[illegible]	-
Deposit Accum	226.6	[illegible]	[illegible]	-
GRE Pensions Manageme[illegible] Ltd				
Pens Managed Initial	[illegible]	409.5	+7.3	-
Pens Managed Acc	[illegible]	523.9	+9.5	-
Pens Equity Initial	[illegible]	556.1	+10.4	-
Pens Equity Acc	[illegible]	711.4	+13.5	-
Pens Fxd Int Initial	[illegible]	378.5	+0.1	-
Pens Fixed Int Acc	[illegible]	484.2	+0.2	-
Pens Int'l Initial	[illegible]	298.2	+3.9	-
Pens Int'l Acc	[illegible]	381.4	+5.0	-
Pens Prp Initial	[illegible]	231.9	-	-
Pens Prp Acc	[illegible]	296.4	-	-
Pens Ind-Lkd Gilt In	[illegible]	162.1		-
Pens Ind-Lkd Gt Ac	[illegible]	193.1	+0.1	-
Pens Dep Initial	[illegible]	274.9	+0.3	-
Pens Dep Acc	[illegible]	351.6	+0.4	-
Hearts of Oak Insurance [illegible]				
84 Kingsway, London WC2B [illegible] 071-404 0393				
HOBS Pro[illegible]	62.3	[illegible]	...	-
HOBS Prop [illegible] Fund	62.3	[illegible]	...	-
HOBS Ma[illegible] Fund	222.8	[illegible]	...	-
HOBS Pens Man Fund	166.5	[illegible]	...	-
HOBS Tax Exempt Fund	110.9	[illegible]	...	-
HOBS P P Man Fund	111.0	116.8	...	-
HOBS App Man Fund	54.3	57.1	.	-
LANMAS Equity Fd	125.2	133.0	...	-
LANMAS Intl	44.7	47.5	...	-
LANMAS Deposit	56.3	59.7	...	-
LANMAS Equity Ser 2	46.3	49.1	...	-
Henderson Administration(z)				
3 Finsbury Ave, London EC2 M2PA 071-638 5757				
UK Equity Income	284.6	[illegible]	(z)	4.50
Fixed Interest	65.4	[illegible]	(z)	10.50
UK Cap Growth	269.6	[illegible]	(z)	-
Global Equity	275.7	[illegible]	(z)	-
N. America	211.1	[illegible]	(z)	-
Far East	322.5	[illegible]	(z)	-
Managed	256.6	[illegible]	(z)	-
Deposit	186.3	[illegible]	(z)	-
Prime Res	139.2	[illegible]	(z)	-
European	179.6	[illegible]	(z)	-
Pension Funds				
UK Equity	290.8	307.0	(z)	-
Fixed Interest	195.8	[illegible]	(z)	-
Special Sits	228.2	[illegible]	(z)	-
N American	128.2	[illegible]	(z)	-
Far East	266.7	[illegible]	(z)	-
Managed	258.5	[illegible]	(z)	-
Prime Res	214[illegible]	[illegible]	(z)	-
Deposit	220[illegible]	[illegible]	(z)	-
European Pension Fund	203.6	214.9	(z)	-
Hill Samuel Life Assur. Ltd				
NLA Tower, Addiscombe Rd, Croydon 081-686 4355				
Security Fund	339.7	359.5	+3.3	-
British Fund	355.2	375.9	+3.6	-

	[illegible] Price	Offer Price	+ or -	Yield Gross
Liberty Life Assurance [illegible] Ltd				
Station Rd, New Barnet 081-440 8210				
Sel Sec A	37.20	[illegible]	...	-
Managed	32.91	[illegible]	...	-
Equity	29.25	[illegible]	..	-
Blue Chip	44.96	[illegible]	..	-
Special Sits	29.03	[illegible]	...	-
International	36.98	[illegible]	..	-
European Fund	11.34	[illegible]	...	-
American	20.42	[illegible]	...	-
Pacific	33.86	[illegible]	.....	-
Property	33.02	[illegible]	.....	-
Fixed Yield	27.35	[illegible]	.....	-
Indexed Linked Secs	14.76	[illegible]	....	-
Deposit	24.59	[illegible]	...	-
The Life Association of Scotland				
113 Dundas St, Edinburgh EH3 5EB 031-550 5000				
LAS Investment Assurance				
Managed Fund	222.9	[illegible]	+1.6	-
UK Equity	381.4	[illegible]	+5.2	-
Property	269.4	[illegible]	[illegible]	-
Money Market	207.2	[illegible]	[illegible]	-
Fixed Interest	239.4	[illegible]	[illegible]	-
Japan	267.5	[illegible]	[illegible]	-
North America	95.6	[illegible]	[illegible]	-
International	176.2	[illegible]	[illegible]	-
European	166.8	[illegible]	[illegible]	-
Far East	74.1	[illegible]	[illegible]	-
Special Situations	69.7	[illegible]	[illegible]	-
Pension Funds				
Managed	155.0	[illegible]	[illegible]	-
International	130.5	[illegible]	[illegible]	-
Property	194.6	[illegible]	[illegible]	-
Money Market	194.5	[illegible]	[illegible]	-
Fixed Interest	195.7	[illegible]	[illegible]	-
UK Equity	256.3	[illegible]	[illegible]	-
North America	97.3	[illegible]	[illegible]	-
Japan	140.9	[illegible]	[illegible]	-
European	183.7	[illegible]	[illegible]	-
Far East	59.1	[illegible]	[illegible]	-
Lifetime Assurance Co Ltd				
Bank Hse, St John[illegible] Rd, Harrow HA1 2EE 081-861 5999				
Managed Security	101.1	106.5	+0.2	-
Managed Growth	100.7	106.1	+1.9	-
Managed Opportunity	86.7	91.3	+3.0	-
Property	103.0	108.5	+0.1	-
Fixed Interest	108.8	114.6	+0.7	-
Cash	103.3	108.8	+0.3	-
UK Equity	92.5	97.4	+2.4	-
[illegible]y	99.0	104.3	+2.0	-
[illegible]unds				
[illegible] Security	104.3	109.8	...	-
[illegible] Growth	94.6	99.6	.....	-
[illegible] Opportunity	74.2	78.2	.....	-
[illegible]	104.6	110.2	.....	-
[illegible]rest	109.9	115.7	.....	-
[illegible]	104.3	109.8	.....	-
[illegible]	86.4	91.0	.....	-
[illegible]y	83.8	88.0	.....	-
London Indemnity & Gnl. Ins. Co Ltd				
18-20 The Forbury, Reading [illegible]583511				
Money Mngd Feb 1	141[illegible]	151.6	.....	-
MIM Flexible Feb 6	117[illegible]	126.6		-
London Life				
100 Temple St, Bristol [illegible] 0272-279179				
Life Funds				
Equity	[illegible]	[illegible]	.....	-

	Bid Price	[illegible]	+ or -	Yield Gross
Merchant Investors [illegible] Co Ltd – Contd.				
MI Fram Inc & Growth	166.3	175.0	+3.4	-
MI Fram Intl Growth	131.8	138.7	+2.7	-
MI Fram Japan & Gen	187.4	197.2	+6.3	-
MI Fram Recovery	150.0	157.8	+2.7	-
MI Gar Int Fixed Int	103.0	108.4	+1.7	-
MI Gar Glob Inc & Gth	125.4	132.0	+1.6	-
MI Gar Gold & Intl Res	78.7	82.8	+1.4	-
MI Gar Pacific Gwth	116.2	122.3	+1.2	-
MI Gar Smaller Co's	134.2	141.2	+1.6	-
MI Henderson Fd	163.4	172.0	+1.1	-
MI Hen American	157.5	165.7	+1.8	-
MI Hen European Tst	110.0	115.7	+0.1	-
MI Hen UK Income	177.0	186.3	+1.4	-
MI Mor Gren Euro Gwth	125.7	132.3	+1.1	-
MI Mor Gren Int Gth	105.2	110.7	+1.5	-
MI Per American Gth	175.5	184.7	+0.2	-
MI Per European Gth	144.9	152.5	+1.8	-
MI Per Far East Gth	183.1	192.7	+0.1	-
MI Per Intl Growth	152.3	160.3	+2.7	-
MI TSB Fund	162.5	171.0	+3.2	-
MI TSB UK Fund	209.1	220.1	+6.7	-
For contracts where only one price applies use the bid price shown above.				
Mercury Life Assurance Co Ltd				
33 King William St, London EC4R 9AS 071-280 2800				
Portfolio	53.1	55.9	+0.50	-
International	39.2	41.2	+0.20	-
UK Equity	47.1	49.6	+0.50	-
British Blue Chip	53.7	56.4	+0.70	-
UK Income	49.6	52.2	+0.50	-
Recovery	38.70	40.7	+0.50	-
UK Smaller Cos	32.3	33.9	+0.10	-
American	46.8	49.2	+0.20	-
Japanese	35.7	37.5	+0.10	-
Pacific Basin	39.3	41.3	+0.30	-
European	45.4	47.8	.....	-
Fixed Interest	55.8	58.7	+0.10	-
Property	59.7	62.8	...	-
Bldg Society & Dep	59.7	62.8	.....	-
Midland Life Limited				
Norwich Hse, Commercial Rd, Southampton 0703 229929				
Adventurous Fd	48.8	[illegible]	[illegible]	-
Balanced Fd	58.2	[illegible]	[illegible]	-
Defensive Fd	58.7	[illegible]	[illegible]	-
Secure Fd	60.3	[illegible]	[illegible]	-
UK Equity Fd	65.3	[illegible]	[illegible]	-
International Fd	48.3	[illegible]	[illegible]	-
Money Market Fd	61.1	[illegible]	[illegible]	-
Fixed Interest Fd	55.4	[illegible]	[illegible]	-
Pens Adventurous	100.7	[illegible]	[illegible]	-
Pens Balanced	100.3	[illegible]	[illegible]	-
Pens Defensive	98.8	[illegible]	[illegible]	-
Pens Secure	[illegible]	[illegible]	[illegible]	-
Pens UK Equity	[illegible]	[illegible]	[illegible]	-
Pens International	[illegible]	[illegible]	[illegible]	-
Pens Money Market	[illegible]	[illegible]	[illegible]	-
Pens Fixed Interest	[illegible]	103.6	[illegible]	-
NEL Britannia Assce Co Ltd				
Milton Court, Dorking, Surrey 0306 887766				
Capital Growth	112.4	118.3	+0.5	-
Managed Income	103.9	109.4	+0.9	-
NBA UT Portfolio	95.5	95.5	+0.3	-
Masterclass				
Cap Gwth Ser B	[illegible]	103.9	[illegible]	-
Mngd Income Ser B	[illegible]	105.5	[illegible]	-
Unit Brit Mgd Eastern	[illegible]	84.0	[illegible]	-
Barings Mgd American	[illegible]	90.6	[illegible]	-
Fidelity Mgd Euro	[illegible]	100.8		-
Gartmore Mgd U.K.	[illegible]	103.3	+1.0	-
Mathesons Mgd Global	[illegible]	87.5	+0.2	-
American Growth	[illegible]	100.3	-0.2	-
Amer Small Cos	[illegible]	79.5	...	-
Asia Tiger Warrant	56.0	58.9	+0.1	-
Asset & Earnings	89.0	93.7	+0.6	-
Commodity Shares	85.2	89.7	+0.3	-

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FT MANAGED FUNDS SERVICE

N & P Life Assurance Ltd

National Financial Management Corp PLC

National Mutual Life

National Provident Institution

Norwich Union Asset Management Ltd

Norwich Union Life Insurance Soc.

Pearl Assurance (Unit Funds) Ltd

Pegasus Assurance Ltd

Premium Life Assurance Co Ltd

Professional Life Assurance Co Ltd

Prolific Life & Pensions Ltd

Property Equity & Life Ass. Co

Property Life Assurance Ltd

Providence Capital Life Assc. Co Ltd

Provident Life Assoc Ltd

Prudential Assurance Co

Prudential Holborn Life Assurance Ltd

Prudential Holborn Pensions Ltd

Prudential Pensions Limited

Regency Life Assurance Co Ltd

Reliance Mutual

Royal Heritage Life Assurance Ltd

Royal Life Insurance Ltd

Royal Liver Assurance

Save & Prosper Group

Scottish Amicable

Scottish Equitable Life Assce.

Scottish Life Investments

Scottish Mutual Assurance Society

Scottish Mutual Investments

Scottish Provident Institution

Scottish Widows' Group

Shield Assurance Ltd

Skandia Life Assurance Co Ltd

Standard Life Assurance Company

Sun Alliance Group

Sun Life of Canada (UK) Ltd

Sun Life Unit Assurance Ltd

Swiss Life (UK) PLC

Swiss Pioneer Life Plc

TSB Life Ltd

Target Life Assurance Co Ltd

Teachers' Assurance Company Ltd

Tunbridge Wells Equitable

Wesleyan Assurance Society

Windsor Life Assur Co Ltd

Woolwich Life Assurance Co Ltd

Zurich Life Assurance Co Ltd

OFFSHORE INSURANCES

AEtna Intl Assurance (Bermuda) Ltd

Albany International Assurance Ltd

Sun Alliance International Life

Target International Group

Manx Life Ins.

MANAGEMENT SERVICES

David M. Aaron (Personal Fin. Plan.) Ltd

The Analysis Group PLC

Bryan Walls & Partners Ltd

Cameron Law & Company Ltd

James Campbell & Son Financial Services

CMI Insurance Co Ltd

Eagle Star Intl Financial Services

Equity & Law Intl Life Assce Co Ltd

Eurolife Assurance Group

Finexco International Ltd

Fleidelve Life Assurance Co Ltd

Hansard International Ltd

NEL Britannia International Ltd

Premium Life (International) Ltd

Providence Capital (International) Ltd

Royal Life Intl. Ltd

J. D. Ward Financial Services Ltd

Skandia Life Assurance Ltd

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Orion Fund Limited

CANADA (SIB RECOGNISED)

Ivory & Sime Pembroke Inc

GUERNSEY (SIB RECOGNISED)

Adams & Neville Fd Mangt (Guernsey) Ltd

BBV-Hambro Asset Mngmt (Guernsey) Ltd

Gartmore Invest Managers (Guernsey) Ltd

Guinness Flight Fd Mngrs (Guernsey) Ltd

Chase de Vere PLC

ECU Futures Plc

Edinburgh Money Management Ltd

Fairmount Gilt Fund Ltd

Gartmore Fund Managers Ltd

Hargreaves Financial Services(PR) Ltd

L.P.S. Lamont plc

Johnson Fry Financial Services Ltd

Knight Williams & Company Ltd

Macartney & Devlin F.S. Ltd

Northern Bingo & Partners

PBS Fund Management Ltd

Pendleton Way Financial Services Ltd

Rushmoor Financial Management Ltd

Rutland Inv Ring & Inv Grp

Sharp (Albert E) & Co.

Sifala Fund Managers Limited

Tattersall Investment Mngt. Ltd

Towry Law & Co

Hambros Fd Mngrs (CI) Ltd

Leopold Joseph Fund Mngmt (Guernsey) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Fund Mngrs (Channel Islands) Ltd

Lion World Fixed Income Fund

Intl Money Market Fund Ltd

M & G (Guernsey) Ltd

Pacific International Mngmt Ltd

Rothschild Asset Management (CI) Ltd

Royal Bank of Canada Funds

Schroder Investment Management (Guernsey) Ltd

GUERNSEY (REGULATED)

Adams & Neville Fund Mngt (Guernsey) Ltd

Arab Bank Fund Managers (Guernsey) Ltd

Buchanan Global Investment Fund Ltd

Bearinvt

Credit Suisse Asset Mngmt (Guernsey) Ltd

Management (Guernsey) Ltd

Fleet-Comsoll Fund Mngrs (Guernsey) Ltd

Hambros Fund Managers (CI) Ltd

Havelet Throgmorton Mngmt Ltd

Henderson Admin. (Guernsey)

Hill Samuel Fd. Mngrs (Guernsey) Ltd

Holborn Fund Management (Guernsey) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Kleinwort Benson Islamic Fd Mngt Ltd

Lazard Fund Managers (CI) Ltd

Merrill Lynch Guernsey

NM Financial Mngt Intl Ltd

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Nikko Capital Mgmt (Europe) Ltd

Saudi International (Guernsey) Ltd

Schroder Investment Mgmt (Guernsey) Ltd

Standard Fund Mngrs Ltd

U.S. Treasury Securities Fund Ltd

Yamaichi Capital Mngmt (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

GAM Fund Management Ltd (a)

MI Global Asset Mngmt Co Ltd "MI Trusts"

IRELAND (REGULATED)(**)

Baring International Fd Mngrs (Ireland) Ltd

Gartmore Fund Managers (Ireland) Ltd

ISLE OF MAN (SIB RECOGNISED)

Allied Dunbar Intl Fund Mgrs (1600)F

Asset Global Funds Ltd

CMI Fund Managers (IoM)

Equity & Law Intl Fund Mngrs Ltd

Gartmore Fund Managers (IoM)

Mercury Fund Managers IoM Ltd

Refuge Overseas (1200)

Sun Life Management (IoM) Ltd

Unibank Scandinavian Fund Ltd

ISLE OF MAN (REGULATED)(**)

CAL Investments (IoM) Ltd

Dragon Lewis Inv. Mgt. Ltd

Equity & Law Intl Fund Mgrs Ltd

Gartmore Fund Managers (IoM)

John Govett Management (IoM) Ltd

TSB Global Funds Limited

Target International (Isle of Man) Ltd

JERSEY (SIB RECOGNISED)

AIB Fund Managers (CI) Ltd

Barclays International Funds

Brown Shipley Fund Mgmt (CI) Ltd

Capital House Fund Mgrs (CI) Ltd (0900)H

Gartmore Fund Managers International Ltd

John Govett (Channel Islands) Ltd (1000)F

Hill Samuel Fund Mgrs (Jsy) Ltd (1000)F

INVESCO MIM International Limited

Lloyds Bank (CI) U/T Mgrs.

Midland Bank Fund Managers (Jersey) Ltd

Royal Trust Jsy Fd Mngt Ltd (1400)F

TSB Trust Funds (CI)

JERSEY (REGULATED)(**)

Barclays Intl Funds

Brown Shipley Fund Mgmt (CI) Ltd

Cater Allen Investment Management (CI)

Citibank (CI) Ltd

EBC Trust Company (Jersey) Ltd

Fidelity Investment (CI) Ltd

Fleming Group

Foreign & Colonial Mngt (Jersey) Ltd

John Govett Management (Jersey) Ltd

INVESCO MIM International Limited

Midland Bank Fund Managers (Jersey) Ltd

Minerals, Oils Res. Shrs. Fd. Inc.

Morgan Grenfell Funds Mgmt (Jersey) Ltd

Murray Johnstone (Jersey) Ltd

Nat. Westminster Jersey Fd. Mgrs. Ltd

Northgate Unit Tst. Mngrs. (Jersey) Ltd

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Limited

Prudential Intl Financial Services Ltd

Royal Trust Intl Fd Mngt Ltd

Schroder Mngt Services (Jersey) Ltd

Scimitar Worldwide Money Fund Ltd

Scimitar Worldwide Selection Fd Ltd

Scrimgeour Kemp-Gee Mngmt. Jersey

TSB Trust Funds (CI)

Target International Management (Jersey) Ltd

Tyndall International (Jersey) Ltd

Wardley Fund Managers (Jersey) Ltd

Worldinvest (Managers) Jersey Ltd

LUXEMBOURG (SIB RECOGNISED)

Abbey Global Investment Fund (a)

Aitken Fund Intl Mngr (Lux) SA (a)

Barclays Intl Funds (Luxembourg) (2400)

Commerzbank Asset Management (Luxembourg) SA

Fidelity Funds (a)

Fleming Group (a)

Gartmore Luxembourg SA (a)

Hendersons Management SA (a)

Hill Samuel Inv Services Intl SA (a)

INVESCO MIM International Limited (a)

Morgan Grenfell UT Mgrs/Deutsche Bank

Norwich Union Intl Portfolio

Schroder International Selection Fd (a)

Sun Life Global Management Ltd (a)

Touche Remnant (Guernsey) Ltd (a)

LUXEMBOURG (REGULATED)(**)

Alliance Capital

SWITZERLAND (SIB RECOGNISED)

B.I.A. Bond Investments AG

OTHER OFFSHORE FUNDS

ATSP Management Ltd

Aberdeen Fund Managers (Gsy) Ltd

Alliance International

Bank of Ireland Unit Managers Ltd

Brazil Fund

Credit Lyonnais Rouse (Bermuda) Ltd

DWS Deutsche Ges. F. Wertpapiersp.

Daiwa Intl Capital Management

Fidelity Japan OTC Regional Mkts Fd Ltd

Frankfurt Trust Investment GmbH

GT Management Plc

Gartmore Investment Ltd

Hill Samuel Investment Services Intl (a)

Lloyds Bank (CI) U/T Mngrs

Managed Funds Notes

Morgan Stanley Sicav

Nomura Asian Investment Fd SICAV

Pacific Growth Fund

Thornton Management Ltd

Tyndall International (Bermuda) Ltd

Unico Financial Services SA Lux

Wardley Investment Services Ltd

Yamaichi Advanced Technology Fd

Yamaichi 1992 OAMI Fund SICAV (a)

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Schlesinger remarks hit dollar

COMMENT BY Mr Helmut Schlesinger, deputy president of the Bundesbank, pushed a [illegible] dollar [illegible] yesterday. He observed that "it [illegible] [illegible] to say [illegible] our enthusi[illegible] (for intervention) has waned; [illegible] never [illegible] enthusiastic." Last week's intervention [illegible] an attempt "to achieve [illegible] certain amount of stability in [illegible] current [illegible] tain market situation." Mr Schlesinger added that the current level of [illegible] dollar would help to [illegible] price stability in Germany.

Dealers regarded this comment [illegible] an [illegible] [illegible] the Bundesbank [illegible] [illegible] keen [illegible] continue its support for the dollar, particularly since prolonged intervention will eventually [illegible] through to [illegible] [illegible] money supply growth, as [illegible] central bank takes in dollars and pushes D-Marks out into the open market. Mr [illegible] said that [illegible] volume of intervention [illegible] not yet [illegible] large enough to [illegible] [illegible] major impact on monetary growth.

In Frankfurt the Bundesbank [illegible] not [illegible] when the dollar [illegible] [illegible] [illegible] record low of DM1.4537 against [illegible] on Friday.

Mr Schlesinger's remarks helped push the [illegible] down [illegible] a record trading low against of DM1.4430. [illegible] economic fundamentals [illegible] weighed on [illegible] currency, [illegible] traders looked towards tomorrow's figures on US retail [illegible] and Friday's December trade figures. Recessionary forces [illegible] expec[illegible] to result in a sharp fall in retail sales, but [illegible] [illegible] reduce the [illegible] deficit.

At [illegible] London [illegible] [illegible] dollar had rallied slightly [illegible] still finished at [illegible] record closing low, falling to [illegible] from DM1.4565; to Y127.70 from Y127.80; to SFr1.2350 from SFr1.2440; and [illegible] FFr4.9275 from FFr4.9600. Its index declined to [illegible] from 59.5.

Sterling rose against the dollar, in line with European [illegible] rencies in general. On the other [illegible] it remained the weakest currency in [illegible] EMS exchange [illegible]. The pound [illegible] to [illegible] from [illegible] but stayed about 2 pfennigs [illegible] [illegible] [illegible] floor against [illegible] D-Mark, [illegible] [illegible] a strengthening of the German currency against the top placed Spanish [illegible]. Any currency's floor against the D-Mark is governed by [illegible] relationship between [illegible] [illegible] unit [illegible] the strongest member of [illegible] system.

Sterling [illegible] [illegible] [illegible] FFr9.8425 from FFr9.8575 and to [illegible] from SFr2.4725, but [illegible] 1 [illegible] to $1.9975 and [illegible] [illegible].

The French franc [illegible] the second [illegible] [illegible] currency, depressed by the comment of [illegible] Michel Rocard, [illegible] French prime minister, [illegible] he did [illegible] expect [illegible] have [illegible] raise interest [illegible]. The Bank of France bought francs against the [illegible] [illegible] [illegible] German currency [illegible] [illegible] [illegible] from [illegible] [illegible] the Paris fixing. In [illegible] [illegible] Bank of Italy [illegible] Ecus when [illegible] D-Mark was [illegible] [illegible] L753.18 against L752.30 on Friday.

£ IN NEW YORK

Feb 11	Latest	Previous Close
£ Spot	1.9965-1.9975	1.9885-1.9895
1 month	1.14-1.13pm	1.11-1.09pm
3 months	3.26-3.23pm	3.15-3.12pm
12 months	9.95-9.85pm	9.60-9.50pm

Forward premiums and discounts apply to the US dollar

[illegible] EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Feb 11	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	128.681	-3.70	5.[illegible]	65
Belgian Franc	42.4032	42.1153	-0.68	2.[illegible]	30
D-Mark	2.05586	2.04528	-0.51	1.[illegible]	40
Dutch Guilder	2.31643	2.30481	-0.50	1.[illegible]	30
Italian Lira	1538.24	1539.94	0.11	1.[illegible]	0
Irish Punt	0.767417	0.769338	0.25	1.[illegible]	-6
Danish Krone	7.84195	7.87728	0.45	0.[illegible]	-16
French Franc	6.89509	6.97069	1.10	0.[illegible]	-54
Sterling	0.696904	0.706508	1.38	0.[illegible]	-27

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Feb 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.9880 - 2.0000	1.9970 - 1.9980	1.15-1.13cpm	6.85	3.24-3.21pm	6.46
Canada	2.3030 - 2.3130	2.3095 - 2.3105	0.57-0.48cpm	2.73	1.72-1.56pm	[illegible]
Netherlands	3.2475 - 3.2675	3.2475 - 3.2575	1¼-1¼cpm	4.38	3¼-3pm	[illegible]
Belgium	59.30 - 59.75	59.55 - 59.65	21-15cpm	3.62	55-43pm	3.29
Denmark	11.1070 - 11.1725	11.1550 - 11.1650	3⅛-3orepm	3.43	8¾-7½pm	2.93
Ireland	1.0850 - 1.0910	1.0880 - 1.0890	0.32-0.22cpm	2.98	0.76-0.60pm	[illegible]
Germany	2.8845 - 2.9000	2.8850 - 2.8900	1¼-1pfpm	4.42	2⅜-2¼pm	[illegible]
Portugal	254.30 - 256.35	254.75 - 255.75	13-35cdis	-1.13	93-145dis	-1.86
Spain	181.70 - 182.50	181.70 - 182.00	3-11cdis	-0.46	44-55dis	-1.09
Italy	2169.70 - 2181.70	2180.25 - 2181.25	2⅛-1½lirepm	[illegible]	5¼-3pm	0.76
Norway	11.3190 - 11.3635	11.3200 - 11.3300	3⅝-2½orepm	3.11	7-6pm	2.30
France	9.8370 - 9.8775	9.8375 - 9.8475	3¼-3cpm	3.89	8¼-8pm	[illegible]
Sweden	10.8665 - 10.9015	10.8775 - 10.8875	1⅛-¼orepm	[illegible]	2¼-¾pm	[illegible]
Japan	253.75 - 256.50	254.50 - 255.50	1¼-1¼ypm	5.59	3¼-3¼pm	[illegible]
Austria	20.29 - 20.40	20.30 - 20.33	7⅛-6⅛gropm	[illegible]	20¼-18pm	3.77
Switzerland	2.4625 - 2.4770	2.4625 - 2.4725	1¼-1cpm	5.47	3¼-3pm	[illegible]
Ecu	1.4045 - 1.4125	1.4055 - 1.4065	0.38-0.36cpm	3.16	1.17-1.14pm	[illegible]

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.85-5.80cpm. 12 Month [illegible]

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Feb 11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.9880 - 2.0000	1.9970 - 1.9980	1.15-1.13cpm	6.85	3.24-3.21pm	6.46
Ireland†	1.8245 - 1.8360	1[illegible] - 1.8360	0.65-0.60cpm	4.32	1.95-1.85pm	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

STERLING INDEX

CURRENCY MOVEMENTS

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base average 1985=100). [illegible] are for Feb 8.

CURRENCY RATES

† European Commission Calculations.
* All SDR rates are for Feb 8

OTHER CURRENCIES

Feb 11	£	$
Korea(Sth)	1424.35 - 1447.35	719.20 - 724.80
Kuwait	N/A	N/A
Luxembourg	59.55 - 59.65	29.80 - 29.90
Malaysia	5.3435 - 5.3525	2.6875 - 2.6895
Mexico	5913.20 - 5918.15	2964.00 - 2965.00
N Zealand	3.3060 - 3.3110	1.6600 - 1.6620
Saudi Ar	7.4420 - 7.4830	3.7490 - 3.7510
Singapore	3.3970 - 3.4050	1.7100 - 1.7120
S Af (Cm)	5.0230 - 5.0360	2.5205 - 2.5235
S Af (Fn)	6.2110 - 6.3100	3.1150 - 3.1645
Taiwan	54.00 - 54.10	27.10 - 27.15
U.A.E.	7.2890 - 7.3295	3.6720 - 3.6740

* Selling rate

EURO-CURRENCY INTEREST RATES

EXCHANGE CROSS RATES

Feb 11	£	$	DM	Yen	F Fr.	S Fr.
YEN	3.922	7.836	11.33	1000.	38.60	9.6[illegible]
F Fr.	1.016	2.030	2.934	259.1	10.	2.50
S Fr.	0.405	0.810	1.170	103.3	3.988	1.
H Fl.	0.307	0.614	0.888	78.39	3.026	0.7[illegible]
Lira	0.459	0.916	1.324	116.9	4.513	1.1[illegible]
C $	0.433	0.865	1.250	110.4	4.261	1.0[illegible]
B Fr.	1.678	3.352	4.846	427.9	16.52	4.1[illegible]

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

LONDON (LIFFE)

CHICAGO

THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate)

	Open	Close	Change	High	Low	Yield	Open Int.
March	90.21	90.19	-	90.27	90.18	9.81	16,915
June	90.42	90.39	-	90.48	90.39	9.61	9,366
September	90.56	90.55	+0.01	90.62	90.55	9.44	3,983
December	90.65	90.67	+0.08	90.67	90.65	9.38	1,133

Estimated volume 13,449 Total Open Interest 31,397

CAC-40 FUTURES (MATIF) Stock Index

	Open	Close	Change	High	Low	Open Int.
February	1645.0	1649.0	+9.0	1655.0	1642.0	7,705
March	1658.0	1661.0	+9.0	1662.5	1656.0	929
April	1668.0	1668.0	+6.0	1668.0	1668.0	0
June	-	-	-	-	-	200

Estimated volume 5,818 Total Open Interest 8,834

BASE LENDING RATES

	%		%		%
ABN Bank	14	Co-operative Bank	14	Nat Bk. of Kuwait	15
Adam & Company	14	Coutts & Co	14	NatWestminster	14
Allied Trust Bank	14	Cyprus Popular Bk	14	Northern Bank Ltd	14
AIB Bank	14	Dunbar Bank PLC	14	Nykredit Mortgage Bank	14½
● Henry Ansbacher	14	Duncan Lawrie	14	Provincial Bank PLC	15
Associates Cap Corp	15½	Equatorial Bank plc	14	Roxburghe Bank Ltd.	14½
B & C Merchant Bank	14	Exeter Bank Limited	14½	Royal Bk of Scotland	14
Bank of Baroda	14	Financial & Gen. Bank	14	Royal Trust Bank	14
Banco Bilbao Vizcaya	14	First National Bank Plc.	16	● Smith & Williamson Secs.	14
Bank Credit & Comm	14	● Robert Fleming & Co.	14	Standard Chartered	14
Bank of Cyprus	14	Robert Fraser & Ptns.	14½	TSB	14
Bank of Ireland	14	Girobank	14	Unibank plc	14
Bank of India	14	● Guinness Mahon	14	● United Bk of Kuwait	14
Bank of Scotland	14	● Hambros Bank	14	United Mizrahi Bank	14
Banque Belge Ltd	14	Hampshire Trust Plc	14½	Unity Trust Bank Plc	14
Barclays Bank	14	Heritable & Gen Inv Bnk.	14	Western Trust	14
Beachmark Bank	14	● Hill Samuel	14	Westpac Bank Corp.	14
Brit Bk of Mid East	14	C. Hoare & Co.	14	Whiteaway Laidlaw	14
● Brown Shipley	14	Hongkong & Shangh	14	Yorkshire Bank	14
CL Bank Nederland	14	● Leopold Joseph & Sons	14		
● Charterhouse Bank	14	Lloyds Bank	14		
Citibank NA	14	Meghraj Bank Ltd	14		
City Merchants Bank	14	McDonnell Douglas Bnk.	14		
Clydesdale Bank	14	Midland Bank	14		
Comm. Bk. of London Plc	14	Mount Banking	14		

● [illegible] of British [illegible] [illegible]

MONEY MARKETS

A firmer tone

INTEREST RATES firmed slightly after a much sharper than expected rise in UK producer prices. Three-month sterling [illegible] [illegible] [illegible] $13\frac{9}{16}$-$13\frac{7}{16}$ from $13\frac{7}{16}$-$13\frac{5}{16}$ [illegible] [illegible] on news that output prices rose 1.2 per [illegible] in January compared with 0.2 per [illegible] in [illegible]. This was regarded [illegible] [illegible] [illegible] [illegible] hopes [illegible] lower bank base [illegible].

Short sterling [illegible] on [illegible] as a result [illegible] [illegible] producer prices data. March delivery opened at 87.13 and touched 87.14, [illegible] sliding [illegible] a low of [illegible] and closing [illegible] [illegible] against 87.12 previously.

UK clearing bank base lending rate
14 per cent
from October 8, 1990

Recent tight credit conditions showed no sign [illegible] easing on the [illegible] market. The Bank [illegible] England initially forecast a shortage [illegible] £1,300m, but revised this [illegible] £1,100m at noon. Total help of £1,089 was provided. In early operations [illegible] authorities bought £104m [illegible] for [illegible] to the [illegible] on March [illegible] [illegible] 13⅞ per cent.

[illegible] lunch £801m [illegible] [illegible] purchased, including [illegible] for resale on March 4 at 13⅞ per [illegible]. Another £792m [illegible] bought outright, by way of £433m bank bills in band 1 at 13⅞ per cent and [illegible] in [illegible]

In the [illegible] £174m bills were purchased outright, via £86m bank bills in band 1 [illegible] 13¾ per [illegible] and £88m bank bills in band 2 at 13¾ per cent. [illegible] [illegible] [illegible] around [illegible] [illegible] also provided.

Bills maturing in official bands, repayment of late [illegible] and a take-up [illegible] Treasury bills drained [illegible], with the unwinding of repurchase agreements on bills absorbing £1,121m, and bank balances below target £80m. [illegible] outweighed exchequer transactions adding [illegible] [illegible] liquidity and a fall in the note circulation [illegible] [illegible].

In Frankfurt call money [illegible] to [illegible] from [illegible] per [illegible] [illegible] [illegible] Bundesbank provided liquidity via funds held on [illegible] of public [illegible] [illegible] 17 [illegible] [illegible] Bundesbank [illegible] allows [illegible] central bank to transfer [illegible] money [illegible] the commercial [illegible] [illegible] short periods. Apart from fresh funds [illegible] Bundesbank also rolled [illegible] some [illegible] 17 money, estimated [illegible] DM3bn [illegible] DM6bn, lent [illegible] the market last [illegible].

The move [illegible] [illegible] [illegible] showing the Bundesbank's determination [illegible] keep call money below the 9 per cent Lombard emergency financing [illegible] [illegible] Helmut Schlesinger, the central bank deputy president, said yesterday that [illegible] Bundesbank will act [illegible] prevent high borrowing under the Lombard facility.

FT LONDON INTERBANK FIXING

MONEY RATES

NEW YORK — Treasury Bills and Bonds

LONDON MONEY RATES

MONEY MARKET FUNDS

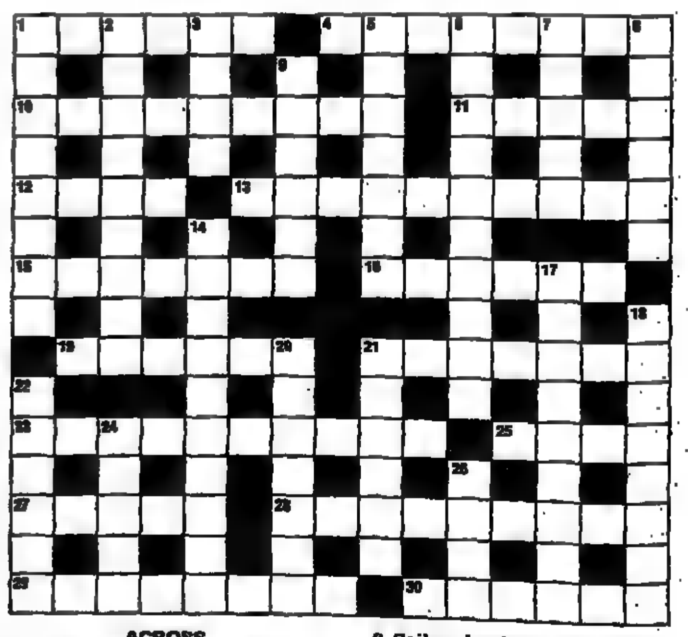
Money Market Trust Funds

Money Market Bank Accounts

JOTTER PAD

CROSSWORD

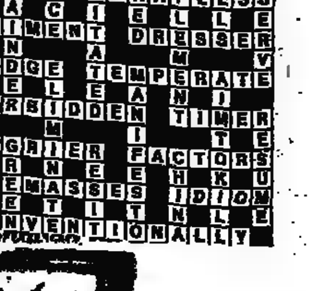
No.7,466 Set by VIXEN



ACROSS
1 The bottom berth? (3-3)
4 Making dope doubly popular is criminal! (8)
10 Set against amalgamating, so leading (9)
11 Discover many get paid for work done (5)
12 Stern nurse (4)
13 Bleak notes requiring immediate attention (10)
15 Beat the favourite dog (7)
16 The German occupied by drink marketer (6)
19 Meaning to give a little hint, entirely without malice (6)
21 Love poetry egghead is to keep an eye on (7)
23 Wild Australian jollification (10)
25 Punt with a Greek character (4)
27 Nibbled at in the latter part of the day (5)
28 Co[illegible] divi[illegible] about party leader (9)
29 Interfered, making Peter mad (8)
30 [illegible] right to annoy the park-keeper! (6)

DOWN
1 Birds creating a din put in boxes (8)
2 Commercial address occasioning high esteem (9)
3 Keenness could well be an advantage (4)
5 [illegible] results (7)
6 Sailors having a smile about the French ways (4,6)
7 A horseman found within his grasp a high-stepper (5)
8 Youth never beginning on time (6)
9 Deal with food summary (6)
14 One wrapping soft fruit with an air (10)
17 Segregate i[illegible] for making an edible present (6-3)
18 He'll leave some for beasts to assimilate (8)
20 Tramp a priest converted (7)
21 Fancied nothing – wasted away (6)
22 Comply as directed (6)
24 Pole made to bear with a great number (5)
26 A prima-donna can turn greedy (4)

Solution to Puzzle No.7,465



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WORLD STOCK MARKETS

AUSTRIA

BELGIUM/LUXEMBOURG

DENMARK

FINLAND

FRANCE

FRANCE (continued)

GERMANY

GERMANY (continued)

ITALY

ITALY (continued)

NETHERLANDS

NORWAY

SPAIN

SWEDEN

SWITZERLAND

SOUTH AFRICA

AUSTRALIA

AUSTRALIA (continued)

HONG KONG

MALAYSIA

SINGAPORE

JAPAN

CANADA

TORONTO
2pm prices February 11

f – No voting rights or restricted voting rights.

INDICES

NEW YORK

DOW JONES	Feb. 8	Feb. 7	Feb. 6	Feb. 5	1990-91 HIGH	1990-91 LOW	Since compilation HIGH	Since compilation LOW
◆Industrials	2830.69	2810.64	2830.94	2788.37	2999.75 (16/7/90)	2365.10 (11/10/90)	2999.75 (16/7/90)	41.22 (2/7/32)
Home Bonds	93.81	93.69	93.66	93.74	93.81 (8/2/91)	88.44 (24/9/90)	95.51 (9/2/87)	54.99 (1/10/81)
Transport	1102.26	1103.67	1113.01	1090.27	1212.77 (6/6/90)	821.93 (17/10/90)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	214.66	213.47	210.83	207.94	236.23 (2/1/90)	190.96 (24/8/90)	236.23 (2/1/90)	10.50 (8/4/32)

◆Day's High 2847.28 (2875.50) Low 2787.13 (2790.50)

STANDARD AND POOR'S	Feb. 8	Feb. 7	Feb. 6	Feb. 5	1990-91 HIGH	1990-91 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	359.34	356.52	358.07	351.26	368.95 (16/7/90)	295.46 (11/10/90)	368.95 (16/7/90)	4.40 (1/6/32)
Industrials	423.79	420.38	422.64	414.26	437.37 (16/7/90)	346.86 (11/10/90)	437.37 (16/7/90)	3.62 (21/6/32)
Financial	27.50	27.33	27.57	27.18	31.87 (3/1/90)	18.80 (29/10/90)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	196.10	194.74	195.38	191.89	201.13 (16/7/90)	162.20 (11/10/90)	201.13 (16/7/90)	4.46 (25/4/42)
Amex Mkt. Value	336.88	334.66	332.73	326.41	382.45 (5/1/90)	288.07 (30/10/90)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	436.80	435.01	439.24	432.20	469.60 (16/7/90)	325.44 (16/10/90)	485.73 (9/10/89)	54.87 (31/10/72)

	Feb. 1	Jan.25	Jan.18	year ago (approx.)
Dow Industrial Div. Yield	3.70	3.88	3.90	4.16

	Feb. 6	Jan.30	Jan.23	year ago (approx.)
S & P Industrial div. yield	3.01	3.20	3.30	2.89
S & P Ind. P/E ratio	17.39	16.58	16.03	14.68

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
RJ Nabisco	7,328,900	7⅛	- ⅛
Unysis Corp	4,841,700	4	+ 1⅛
West Dig	3,134,600	4⅛	- 1⅞
Gen Motors	2,635,200	37⅛	+ 1⅞
Chrysler	2,598,900	11⅛	- ⅛
Boeing	2,021,700	52⅛	+ 1½
IBM	1,751,700	129½	+ 1
Philip Morris	1,712,100	59⅛	+ ⅞
Exxon	1,675,100	53⅛	- ⅛
Am T & T	1,643,300	34	- ⅛

TRADING ACTIVITY

† Volume (Millions)	Feb. 8	Feb. 7	Feb. 6
New York	187.840	293.399	276.940
Amex	13.968	20.896	21.339
NASDAQ	168.187	245.597	219.589
Issues Traded	2,037	2,060	2,051
Rises	977	835	1,203
Falls	618	837	453
Unchanged	442	388	395
New Highs	84	172	168
New Lows	2	8	8

CANADA

TORONTO	Feb. 8	Feb. 7	Feb. 6	Feb. 5	1990-91 HIGH	1990-91 LOW
Metals & Minerals	3071.77	3062.19	3073.48	3030.13	3453.05 (4/1/90)	2486.60 (8/11/90)
Composite	3445.27	3431.67	3424.03	3365.82	4009.47 (3/1/90)	3009.91 (16/10/90)
MONTREAL Portfolio	1851.31	1845.03	1845.81	1817.95	2060.90 (3/1/90)	1607.24 (16/10/90)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poor's—10; and Toronto Composite and Metals—1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Feb. 11	Feb. 8	Feb. 7	Feb. 6	1990-91 HIGH	1990-91 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1365.4	1340.4	1344.5	1348.7	1713.7 (12/1/90)	1304.5 (16/1/91)
All Mining (1/1/80)	596.6	585.4	584.3	586.9	860.8 (5/1/90)	561.6 (16/1/91)
AUSTRIA						
Credit Aktien (30/12/84)	438.78	433.40	434.61	433.41	703.29 (19/3/90)	393.54 (16/1/91)
BELGIUM						
Brussels SE (Cash Mkt) (1/1/80)	5200.29	5121.17	5086.87	5055.98	6599.43 (12/1/90)	4664.84 (16/1/91)
DENMARK						
Copenhagen SE (3/1/83)	329.97	328.04	326.25	320.91	388.29 (20/7/90)	302.26 (8/1/91)
FINLAND						
Unitas General (1975)	360.8	362.0	358.4	357.7	677.3 (23/1/90)	348.4 (9/1/91)
FRANCE						
CAC General (31/12/82)	432.50	424.90	426.62	423.69	564.62 (30/5/90)	394.88 (15/1/91)
CAC 40 (31/12/87)	1637.29	1622.75	1598.22	1598.11	2129.32 (20/4/90)	1441.17 (14/1/91)
GERMANY						
FAZ Aktien (31/12/58)	635.76	620.23	616.49	611.92	832.32 (19/7/90)	569.69 (28/9/90)
Commerzbank (1/12/53)	1807.8	1761.3	1754.7	1735.6	2414.0 (3/4/90)	1612.5 (15/1/91)
DAX (30/12/87)	1488.74	1467.82	1436.26	1428.69	1968.55 (30/3/90)	1322.68 (16/1/91)
HONG KONG						
Hang Seng Bank (31/7/64)	3394.08	3359.09	3333.98	3366.46	3559.89 (23/7/90)	2738.24 (1/2/90)
IRELAND						
ISEQ Overall (4/1/88)	1249.68	1222.22	1217.02	1192.96	1893.10 (22/1/90)	1114.86 (25/1/91)
ITALY						
Banca Com. Ital. (1972)	527.80	522.81	519.55	512.20	763.52 (14/6/90)	486.26 (29/1/91)
JAPAN						
Nikkei (16/5/49)	(c)	24296.08	24104.43	23952.04	38712.88 (4/1/90)	20221.86 (1/10/90)
Tokyo SE (Topix) (4/1/68)	(c)	1805.28	1786.86	1772.78	2867.70 (4/1/90)	1523.43 (1/10/90)
2nd Section (4/1/68)	(c)	2695.24	2661.03	2640.94	4477.16 (16/7/90)	2499.15 (29/1/91)
MALAYSIA						
KLSE Composite (4/4/86)	518.32	518.93	519.50	513.72	632.22 (1/8/90)	459.08 (28/9/90)
NETHERLANDS						
CBS Tit.Rtn.Gen.(End 1983)	238.0	234.3	232.8	229.5	271.9 (20/7/90)	221.4 (16/1/91)
CBS All Shr (End 1983)	174.0	171.3	170.2	167.9	206.3 (3/1/90)	162.3 (16/1/91)
NORWAY						
Oslo SE (Ind) (2/1/83)	669.84	648.69	649.70	632.77	915.13 (2/8/90)	610.45 (21/1/91)
PHILIPPINES						
Manila Comp (2/1/85)	876.68	841.72	857.51	863.45	1160.70 (21/3/90)	514.80 (5/10/90)
SINGAPORE						
SES All-Singapore (2/4/75)	352.84	351.17	352.12	350.71	446.87 (16/7/90)	301.45 (11/10/90)
SOUTH AFRICA						
JSE Gold (28/9/78)	1062.04	1075.0	1030.0	976.0	2230.0 (16/1/90)	976.0 (6/2/91)
JSE Industrial (28/9/78)	3094.04	3050.0	3029.0	2988.0	3211.0 (6/2/90)	2640.0 (1/10/90)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	629.57	628.65	634.31	635.66	928.82 (4/1/90)	566.27 (17/9/90)
SPAIN						
Madrid SE (30/12/85)	245.89	240.62	239.61	237.54	309.74 (16/7/90)	209.37 (28/9/90)
SWEDEN						
Affärsvärlden Gen. (1/2/37)	972.5	975.8	964.0	984.4	1329.9 (5/7/90)	808.4 (8/1/91)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	656.8	645.0	640.9	638.8	845.5 (13/7/90)	590.4 (14/1/91)
SBC General (1/4/87)	560.7	548.8	544.9	542.2	698.2 (13/7/90)	487.1 (14/1/91)
TAIWAN**						
Weighted Price (30/6/66)	4729.65	4460.04	4384.19	4236.88	12495.34 (10/2/90)	2560.47 (1/10/90)
THAILAND						
Bangkok SET (30/4/75)	745.22	728.36	720.44	701.75	1143.78 (25/7/90)	544.30 (30/11/90)
WORLD						
M.S. Capital Intl.(1/1/70) (5)	508.8*	504.3	500.4	497.6	571.0 (4/1/90)	423.1 (28/9/90)

**Saturday February 9: Taiwan Weighted Price: 4540.92. Korea Comp Ex. 631.27.
& Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX – 1,000. JSE Gold – 255.7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks

Friday 8 February 1991

	Stocks Traded	Closing Prices	Change on day
M'bishi Mtrls	21.4m	651	+22
Chiyoda Corp	18.5m	2,370	+20
Furukawa Elec	14.3m	790	-3
Kurabo Inds	14.2m	1,400	+120
M'Bishi Heavy	10.5m	788	+5
Hitachi	10.2m	1,150	-
Kelsei El Rl	8.5m	1,800	+50
Nomura Secs	7.6m	1,870	+20
Tokio Marine	7.1m	1,410	+20
Sumitomo Chem	7.0m	628	+23

AMEX COMPOSITE PRICES

3pm prices February 11

هكذا من الأفضل

3pm prices February 11

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
31¾	9⅛	AAR	.48	3.6	11	1223	13¾	13	13½	+ ⅛
9⅝	7¾	ACM n1	.03a	11.		74	9⅛	9	9⅛	
11¼	8⅝	ACMIn	1.28	11.		1327	11⅛	10⅞	11	
8⅝	6½	ACM M n	1.01	13.		307	8	7⅞	8	
12½	10	ACMMM	1.50	12.		342	12¾	12⅝	12¾	– ⅛
11⅛	8⅝	ACM Sc	1.26	12.		553	10⅝	10⅜	10⅜	
9⅞	7¼	ACMSp	1.01	11.		428	8⅞	8¾	8⅞	+ ⅛
25¼	17	AL Lab	.16	.7	20	139	24⅛	24	24	
3¾	1	AM Ind				546	1½	1⅜	1½	+ ⅛
17⅝	4⅜	AM In pf	2	27.		101	7½	7⅜	7⅜	– ⅛
10½	8⅝	AMEVSc	1.05a	11.		21	9½	9⅜	9½	+ ⅛
70⅛	39⅞	AMR				6542	60½	58½	60⅛	+ 2⅞
26¾	25	ANR pf	2.67	10.		z5	25½	25⅛	25½	+ ⅝
24⅛	22½	ANR pf	2.12	9.5		z7	22⅜	d22⅛	22⅜	+ ⅛
44¼	29¾	ARCOCh	2.50	6.6	12	569	38⅛	37⅞	38⅛	+ ⅛
4	1¼	ARX				78	2	1⅞	1⅞	
66¾	38¼	ASA	3	6.8		527	44⅛	43⅝	44	– ⅛
46⅝	31⅛	AbtLab	s.84	1.8	21	8019	u46⅝	44⅞	46½	+ 1¾
14	9⅞	AbitIbi	g.50			14	12½	12½	12½	
10⅛	4½	AcmeC	.40	6.2	18	287	6⅝	6⅜	6½	+ ⅛
9⅛	4¼	AcmeE			2	93	5⅛	4⅞	4⅞	
33⅞	20¾	Acuson	s		26	2338	32⅞	30⅞	32⅝	+ 1¾
16⅞	14⅛	AdaEx	1.72e	11.		150	16⅜	16⅛	16⅜	+ ⅛
14½	7½	Adobe				102	7⅞	7¾	7¾	– ⅛
19⅝	16	Adob pf	1.84	11.		7	16⅞	16⅝	16⅞	
21⅝	18⅞	Adob pf	2.40	12.		14	20	19⅞	19⅞	
11⅞	3⅝	AMD				6028	8⅛	7⅞	8⅛	+ ⅛
32⅝	13	AMD pf	3	11		110	28⅝	28	28½	+ 1
6⅞	1⅞	Advest	.19	4.0		313	4	3⅞	4	+ ⅛
[illegible]										

Continued on Page 45

NYSE COMPOSITE PRICES

Continued from previous Page

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

NASDAQ NATIONAL MARKET

3pm prices February 11

AMERICA

Hopes of easier credit spur Dow

Wall Street

INSTITUTIONAL investors continued to commit sizeable funds to the market yesterday morning, pushing prices higher amid rising hopes of another cut in interest rates by the Federal Reserve, *writes Patrick Harverson in New York.*

At 1 pm the Dow Jones Industrial Average was up 40.84 at 2,871.53 on turnover of 154m shares. The Standard & Poors 500 was also firmer, up 6.13 at 365.48, while the Nasdaq composite index of secondary stocks was up 4.79 at 441.64.

The morning's gains appeared to confirm that a fully fledged bull market had returned. There was much public discussion over the weekend, on television and in the newspapers, about what lies behind the market's strength. The consensus was that the economy had reached its bottom, that interest rates would come down further and that, barring the occasional brief downturn – probably following bad news from the Gulf – share prices would continue to rise for much of 1991.

Among the chief beneficiaries of the buying were consumer non-durable stocks, which have been neglected in recent weeks. Procter & Gamble climbed \$1¾ to \$83⅝, Unilever rose \$2⅞ to \$91⅞ and Colgate-Palmolive put on \$1¼ at \$74¾.

Boeing moved against the market on the news that British Airways, one of the world's largest airlines, was postponing a \$2bn aircraft replacement programme because of the slowdown in passenger traffic. Boeing was in line to win part of the order. After a delay in trading due to an order imbalance, the group's stock fell \$1¼ to \$51⅝ on turnover of 1.6m shares.

British Airways ADRs rose \$1¼ to \$28⅝ on news of the postponement.

Among other airline stocks, AMR, the parent of American Airlines, rose \$2¼ to \$59⅞ after the company and its pilots' union agreed to a tentative labour contract which should avert a strike. USAir edged \$⅜ higher to \$21⅛ after announcing that it was cutting 3,500 jobs.

General Motors fell \$½ to \$36⅞ following an indication from the company that it would report another big loss in the first quarter of this year.

Two companies that develop biological products featured. Synergen rose \$⅜ to \$27¼ on turnover of 1.3m shares after a block of more than ½m shares, or 5 per cent of the stock in issue, was sold to a variety of institutions. There was speculation that Eli Lilly, the drug company, may have sold its entire stake in Synergen.

Amgen fell \$1½ to \$77½ following a cut in its investment rating by Shearson Lehman, the broking house. Amgen shares had been sold late last week on the unexpected resignation of the company's president and chief operating officer.

Canada

TORONTO stocks rose sharply for the ninth straight session as investors flocked to the market in anticipation of further declines in interest rates. The composite index jumped 41.2 to 3,486.7 at midday. Advances led declines by 300 to 139 on volume of 18.75m shares.

Leading the gains were banks, mining, media and industrial shares.

Lac Minerals, which reported lower fourth quarter earnings late on Friday, eased C\$⅛ to C\$8⅞.

Computer software company Cognos Inc rose C\$1⅛ to C\$16¾. Cognos and Corel Systems firmed on US investor interest.

EUROPE

Bond markets again sway bourses

BOND MARKET performance and the outlook for interest rates influenced share prices again yesterday. A firm opening on Wall Street also supported the late-closing bourses, *writes Our Markets Staff.*

FRANKFURT tested the 1,500 level on the DAX index, but ran out of steam after a busy first hour. The DAX closed 20.92 or 1.4 per cent ahead at 1,488.74 after a rise of 15.53 or 2.5 per cent to 635.76 in the FAZ at midsession. Volume rose to DM5.8bn from DM5.4bn.

Sentiment in the post-bourse was not enhanced by a decline in the dollar to yet another all-time low against the D-Mark, said Mr Jens Wiecking of Merck Finck in Düsseldorf. While Wall Street was up 20 points in early trading, German shares were a shade down from their official close.

The bond market also eased on late profit-taking after a fall in the Bundesbank's average bond yield of six basis points, from 8.67 to 8.60 per cent, during official trading hours. However, financials rose, Allianz putting on another DM70 to 2,380 after Friday's DM75 gain.

Construction was the weakest sector. Strabag fell DM11 to DM525, recovering from a low of DM518, on a weekend report that the company had repeatedly broken the United Nations embargo against Iraq.

Elsewhere, RWE, the diversified power generation group, jumped DM10.50 to DM398.50, in an indication that reunification prospects have not been completely forgotten. MAN, the engineering group, rose DM11.50 to DM357.50 after it said that its truck unit was expected to lift output in the current year by 8 per cent.

ZURICH was led higher by banking shares on hopes that, of the three big banks, Union Bank and Swiss Bank Corp would hold their dividends on 1990 results in spite of a drop in net profits. The Crédit Suisse index improved 14.4 or 2.9 per cent to 503.3.

MADRID enjoyed a strong day on hopes of lower interest rates. The general index rose 5.27 or 2.2 per cent to 245.89. Among the day's winners, Sarrió, which last week sold a paper business to Torras Hostench, gained Pta34 or 4.9 per cent to Pta735. Dragados, the construction company, added Pta110 or 4.3 per cent to Pta2,685, and Fecsa, the utility, rose Pta25 or 4 per cent to Pta655 on 1m shares.

Banco Hispano Americano, the commercial bank, put on Pta45 or 1.8 per cent to Pta2,520 after announcing a fall in 1990 in consolidated net profits.

AMSTERDAM was again supported by a firm bond market, although some analysts were wary about the bourse's recent rise. The CBS tendency index rose 1.8 or 2.2 per cent to a 1991 high of 83.7, but turnover remained modest.

KLM, the national airline, rose 90 cents to Fl 22.50 as some investors felt that the worst was now over. However, Mr Peter Houting at County NatWest was less optimistic about the airline's future. He was concerned that KLM might have to make additional cost-cutting measures in the second half, and he feared that its holding in North West Airlines could become troublesome.

PARIS continued to benefit from interest rate optimism, supported by the continuing rally in the bond market. The CAC 40 index added 14.54 to a year's high of 1,637.29 in turnover of about FFr1.9bn, after Friday's FFr2.2bn.

Cie La Henin, which has interests in the property and food businesses, was suspended from trading until Thursday. The move followed a jump in its shares of FFr44 or 9.9 per cent to FFr489 on talk that Suez plans to absorb its 43 per cent-owned subsidiary. Suez was little changed at FFr291, down FFr4.

Interest rate-sensitive stocks were firm, with credit card company Cetelem up FFr33 or 6.1 per cent at FFr578.

OSLO welcomed Hafslund Nycomed's announcement of record profits in 1990. Its A shares rose NKr4 to NKr162.

Mr Andrew Porter at Nikko Securities said that investors' fears about the group's ability to restructure itself through acquisitions and disposals seemed to have been unjustified. The company is holding an analysts' meeting in London today. The all-share index rose 18.24 or 4.1 per cent to 461.25 in active trading worth NKr451m.

MILAN appeared to have found a new equilibrium as foreign investors continued to buy, while individuals stayed away to avoid the stiff new tax on capital gains. Furthermore, selling from mutual funds to meet redemptions was drying up, dealers said.

The most popular sectors were telecommunications and cement. The Comit index rose 4.99 to 527.80, its sixth straight gain, in volume estimated at between L130bn and L150bn after Friday's L132bn.

On the technical side, the market was supported by the expiry of the monthly options contracts, of which about 30 per cent were exercised.

After the market closed, floor traders suspended an indefinite strike over the capital gains tax which had been due to start on February 15.

STOCKHOLM recovered partially from a bout of early profit-taking. The Affärsvärlden General index fell 3.3 to 972.5 in volume of SKr245m, down from SKr379m.

ATHENS rose 2.8 per cent, the general index gaining 27.02 to 995.26.

Interest rates pattern lifts equities

By William Cochrane

GLOBAL equity markets rose virtually across the board, and unusually strongly, last week as the FT-Actuaries World Index notched up a rise of 4.6 per cent. However, the different influences of interest rates led to variations among the main territorial blocs.

Lower interest rates set the pattern for the US, and to some extent the world, with a 0.5 percentage point cut in the Federal Reserve's discount rate to 6 per cent on Friday, February 1. On Wall Street this meant that anticipation of, and initial reaction to, the event was spread over two weeks; last week, after profit-taking on Thursday, the US rose in line with the world.

Anticipation is frequently more powerful than the event in equities. Tokyo backed up this theory last week as the Japanese market, in the hope of an interest rate cut, gained 5.7 per cent. In addition to rate hopes, says Nomura International, Tokyo saw index-linked buying, a reflection of US equity market strength, and an aggressive return to the market by foreign and domestic institutions in midweek.

Europe, once again, was the laggard. Bourses were thrown off balance by the German Bundesbank's decision to raise interest rates on January 31, the day before the US authorities dropped theirs. Germany was one below-average performer and Switzerland, always interest-rate sensitive, was another.

In its latest review of continental European strategy Barclays de Zoete Wedd says that short-term risks remain, and that European underperformance suggests that any "relief rally" will go further on the Continent than elsewhere.

"Relative economic prospects," it argues, "would not appear to have diverged as much as equity markets' performance." However, it says, the first intimations of the earnings season cast doubt on whether such a rally would be durable.

The week's two best performers were recovery situations. Ireland, a sad market in January and in 1990 as a whole, put on 7.4 per cent last week, but it was recovering from a much lower base than the rest of Europe, says Mr Robbie Kelleher of Davy's, the Dublin stockbrokers.

Mr Kelleher notes, too, that the US banking sector last week was one of the major beneficiaries of lower interest rates; previously, worries about the US acquisitions by the Bank of Ireland, and Allied Irish Banks (which together account for about one quarter of the Irish index) had helped to bring the market down.

New Zealand, longer and deeper in stock market recession than Dublin but up 10.2 per cent last week, benefited mostly from Brierley's sale of its 20 per cent Vickers holding, says Ms Pauline McAtamney of the brokers Ord Minnett. The stock accounts for 13 per cent of the local Barclays index and the deal took it up by 18 per cent over the week.

Ms McAtamney says that the market was oversold and notes that trading volume, as low as NZ\$5m before its recent recovery, was as high as NZ\$41.2m last Thursday.

Sweden recorded the only loss of the week, but it had some room for manoeuvre; it had been the world's best performer, with rises of 6.9 per cent in the week to February 1 and of 12.1 per cent from the beginning of 1991. Last week it hit another two consecutive year's highs before Ericsson rattled the market with a cautious look at 1991 prospects.

MARKETS IN PERSPECTIVE

	% change in local currency †				% change sterling †	% change in US \$ †
	1 Week	4 Weeks	1 Year	Start of 1991	Start of 1991	Start of 1991
Austria	+2.06	+3.11	−31.70	−4.33	−4.71	−1.87
Belgium	+4.00	+8.23	−16.15	+5.13	+5.49	+8.64
Denmark	+4.73	+9.91	−12.25	+7.77	+7.82	+11.04
Finland	+1.98	+7.70	−38.32	−1.80	−2.59	+0.31
France	+3.37	+8.21	−17.50	+5.93	+5.60	+8.65
Germany	+2.29	+4.78	−23.10	+3.00	+2.66	+5.73
Ireland	+7.41	+9.06	−30.44	+3.39	+3.23	+6.30
Italy	+6.19	+2.79	−26.60	+0.68	+0.55	+3.55
Netherlands	+3.23	+3.44	−12.45	+1.99	+1.77	+4.81
Norway	+2.31	+4.78	−25.37	−3.20	−3.33	−0.45
Spain	+4.56	+10.77	−15.80	+7.90	+9.47	+12.74
Sweden	−1.09	+14.18	−17.85	+10.88	+10.72	+14.02
Switzerland	+1.75	+10.62	−17.37	+5.90	+5.40	+8.55
UK	+3.75	+6.36	−5.73	+4.29	+4.29	+7.40
EUROPE	+3.45	+6.54	−14.16	+4.23	+4.13	+7.23
Australia	+3.05	+9.02	−15.85	+5.33	+3.42	+6.51
Hong Kong	+4.20	+10.00	+13.15	+11.28	+8.12	+11.35
Japan	+5.67	+6.76	−33.50	+5.04	+8.26	+11.48
Malaysia	+4.58	+8.48	−10.82	+2.43	−0.16	+2.83
New Zealand	+10.23	+17.43	−27.97	+13.21	+12.33	+15.64
Singapore	+1.96	+9.62	−17.09	+9.39	+7.83	+11.04
Canada	+4.77	+7.09	−7.10	+4.37	+1.52	+4.55
USA	+4.62	+14.12	+7.93	+9.13	+5.97	+9.13
Mexico	+4.32	+8.42	+77.53	+3.02	−0.06	+2.93
South Africa	+3.86	−1.04	−24.26	−2.47	+2.63	+5.88
WORLD INDEX	+4.63	+9.25	−15.07	+6.25	+6.09	+9.25

† Based on February 8th 1991. Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County NatWest Securities Ltd

ASIA PACIFIC

Region strong in spite of Tokyo's closure

PACIFIC RIM markets mostly moved higher yesterday in active trading, with economic prospects providing support. Tokyo was shut for a holiday.

AUSTRALIA rose 1.9 per cent on futures-related buying and hopes of good inflation figures tomorrow. The All Ordinaries gained 24.9 to 1,365.4 – its highest level since late-November. Turnover came to A\$193m, up from A\$168m.

The banking sector led the advance, with ANZ rising 16 cents to A\$3.39 on 6m shares traded, National Australia 18 cents to A\$6.10 and Westpac 14 cents to A\$4.10.

NEW ZEALAND's rally continued as foreigners hunted for blue chips, amid persistent optimism over interest rates. The Barclays index climbed 31.73, or 2.3 per cent, to 1,406.94, although turnover declined from Friday's heavy NZ\$28m to NZ\$16m.

TAIWAN took off after the weighted index broke through the 4,500 chart resistance level. The market was also buoyed by improved liquidity as domestic investors sold their US dollar investments.

The weighted index forged ahead 188.73, or 4.2 per cent, to 4,729.65 as volume expanded to T\$68.85bn, the highest level in two weeks, from Saturday's T\$55.51bn. The market will be closed today for the Chinese new year holidays, reopening on February 19.

MANILA resumed its upward path after a two-day correction. The composite index advanced 34.96, or 4.1 per cent, to 876.68. BANGKOK rose in active trading, the SET index adding 16.86 at 745.22 on turnover of 6.2bn baht.

HONG KONG's Hang Seng index strengthened 34.99, or 1 per cent, to 3,394.08, while turnover improved to HK\$1.35bn from HK\$1.27bn.

SINGAPORE saw interest in speculative Malaysian issues. The Straits Times Industrial index gained 7.93 to 1,302.03 and volume rose to S\$142m from S\$138m. Roxy Electric was suspended on rumours that the company would soon announce an acquisition.

In KUALA LUMPUR, however, the composite index slipped 0.61 to 518.32 in turnover of 83.3m shares, down from 76.5m.

BOMBAY drifted lower on fears of a long Gulf war. The BSE index lost 16.73, or 1.6 per cent, to 1,013.50. The market is closed today for a festival.

SOUTH AFRICA

GOLD SHARES closed mixed as the bullion price eased to about \$367 but industrials ended higher. The all-gold index fell 13 to 1,062, while the overall index rose 28 to 2,699. The industrial index gained 44 to 3,094.

Istanbul witnesses a revival in fortunes

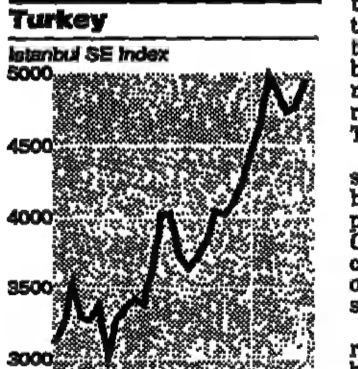
Investors great and small have returned, says **John Murray Brown**

THE ISTANBUL Stock Exchange has witnessed a sharp revival in fortunes, with the index regaining the levels prevailing before the start of the Gulf crisis last August. Yesterday the index closed at 4,933.65, up 165.64 or 3.5 per cent on the day, and 47 per cent higher since January 16, the day before the war started.

The bourse, which lists about 100 stocks, also saw large increases in trading volume. On Wednesday the exchange had record turnover of TL275bn (\$91m) as speculative activity increased, pushing the index briefly through 5,000.

Foreign institutions, however, have withdrawn from the market, many as early as last November. As long as the war continues, Istanbul will be of marginal concern in most foreign portfolios.

Turkey



Source: Bear Stearns

Volumes have swollen for several reasons. The initial war panic saw Turks rushing to withdraw deposits from the banks; today investors are looking for a short-term home for this money. An additional factor is the jump in money supply, which has risen by TL6 trillion (million million) since the war began as the authorities have raised the volume of bank notes in circulation to meet depositors' demands. Current money supply is about TL19 trillion.

Moreover, gold, normally a safe haven in times of crisis, has proved less alluring. Gold prices are in decline. Prices for Cumhuriyet, the Republic gold coin, had slipped to TL250,000 on Friday, down 10 per cent since the war started.

Brokers are now seeing a return to the market by all the big domestic investors – institutions, jewellers from the covered bazaars and the private stockholders. "When one of the bazaars, each with close to TL4bn invested, plays the market, you can really feel it," says Mr Ismail Kovaci of the Stock Exchange.

Particular interest has centred on Metas, the debt-ridden Izmir steel company, after the government unveiled plans for a financial rescue, involving the conversion of bank debt into equity.

There is also a seasonal factor as companies prepare to announce capital increases at annual board meetings due in March. By boosting capital, companies aim to keep ahead of inflation, now at 60 per cent. Banks are expected to seek capital increases in line with efforts to meet the capital adequacy ratios set by the Bank of International Settlements.

The euphoria has even tempted into the market the normally cautious Public Participation Fund (PPF), the government body entrusted with handling the sale of state companies to the public. In spite of signs of a slowdown in the privatisation programme, brokers say the PPF was an active seller last week.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	FRIDAY FEBRUARY 8 1991								THURSDAY FEBRUARY 7 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1990/91 High	1990/91 Low	Year ago (approx)
Australia (75)	125.74	−0.5	93.79	101.56	95.21	107.23	−0.2	6.76	126.37	93.81	102.20	95.33	107.45	158.31	112.74	142.47
Austria (19)	192.97	−0.4	143.95	155.89	146.12	146.34	+0.0	1.87	193.80	143.88	156.75	146.20	146.32	285.63	167.00	248.68
Belgium (60)	143.65	+0.1	107.15	116.03	108.77	106.10	+0.5	5.55	143.46	106.51	116.02	108.22	105.61	160.02	121.73	146.37
Canada (116)	135.95	+0.4	101.41	109.82	102.94	114.05	+0.4	3.51	135.35	100.48	109.46	102.09	113.64	153.61	121.24	141.99
Denmark (32)	258.31	+0.5	192.68	208.67	195.60	197.00	+0.6	1.52	257.04	190.83	207.90	193.91	195.78	277.62	217.74	256.27
Finland (21)	103.46	+0.3	77.18	83.59	78.35	77.05	+0.6	3.96	103.17	76.60	83.45	77.83	76.62	152.29	90.61	150.51
France (113)	143.15	+1.1	106.78	115.63	108.38	111.37	+1.5	3.71	141.52	105.07	114.45	106.75	109.72	166.85	121.65	150.92
Germany (88)	118.31	+0.1	88.25	95.59	89.59	89.59	+0.4	2.54	118.25	87.79	95.65	89.20	89.20	144.63	101.38	132.79
Hong Kong (48)	135.63	+0.6	101.17	109.57	102.71	135.73	+0.6	4.94	134.78	100.06	109.01	101.68	134.95	147.49	112.24	119.31
Ireland (16)	157.82	+0.7	117.73	127.49	119.51	121.68	+1.1	3.76	156.74	116.37	126.77	118.24	120.39	198.57	132.88	195.94
Italy (91)	81.09	−0.1	60.49	65.50	61.40	66.42	+0.5	3.80	81.17	60.26	65.64	61.23	66.07	109.26	72.05	96.24
Japan (453)	139.09	+1.0	103.76	112.37	105.34	112.37	+0.9	0.76	137.67	102.21	111.35	103.87	111.35	197.26	106.58	183.23
Malaysia (34)	218.14	−0.1	162.72	176.22	165.18	226.04	−0.1	3.33	218.46	162.18	176.68	164.79	226.37	250.89	182.96	240.77
Mexico (12)	601.55	+0.9	448.72	485.96	455.51	1944.03	+0.9	0.35	595.89	442.39	481.95	449.52	1925.76	613.96	324.53	366.97
Netherland (41)	140.41	+0.3	104.74	113.43	106.33	105.17	+0.6	5.11	140.02	103.95	113.25	105.63	104.49	149.03	125.70	138.36
New Zealand (15)	50.20	−0.6	37.45	40.56	38.02	44.39	−0.1	7.65	50.48	37.48	40.83	38.09	44.46	75.36	41.18	68.64
Norway (30)	203.35	−1.0	151.69	164.28	153.99	157.81	−0.5	1.93	205.38	152.47	166.11	154.93	158.68	276.79	182.24	237.88
Singapore (25)	176.86	−1.4	131.93	142.88	133.92	139.58	−1.3	2.98	179.40	133.19	145.10	135.33	141.45	209.24	147.24	195.29
South Africa (60)	193.28	−0.2	144.18	156.13	146.35	132.85	+1.9	4.09	193.60	143.73	156.58	146.05	130.41	251.39	151.50	240.90
Spain (41)	158.19	+0.0	118.00	127.80	119.78	109.59	+0.4	5.18	158.23	117.47	127.98	119.37	109.15	182.25	128.54	156.69
Sweden (27)	181.80	−0.7	135.62	146.87	137.67	147.22	−0.7	2.78	183.15	135.97	148.14	138.17	148.24	234.93	146.60	196.73
Switzerland (65)	96.53	+0.3	72.01	77.99	73.10	74.45	+0.9	2.82	96.22	71.43	77.82	72.59	73.82	109.77	82.17	96.89
United Kingdom (296)	177.93	−0.3	132.73	143.73	134.72	132.73	+0.1	5.27	178.54	132.55	144.39	134.67	132.55	178.54	139.87	159.68
USA (526)	145.48	+0.8	108.52	117.53	110.16	145.48	+0.8	3.40	144.37	107.18	116.77	108.91	144.37	148.95	119.06	135.02
Europe (940)	144.26	+0.0	107.61	116.54	109.25	108.78	+0.5	4.29	144.22	107.07	116.65	108.80	108.28	157.65	124.91	143.74
Nordic (110)	184.83	−0.2	137.87	149.31	139.96	139.50	−0.1	2.18	185.22	137.51	149.81	139.73	139.60	223.29	155.55	198.51
Pacific Basin (650)	138.12	+0.9	103.03	111.59	104.59	112.61	+0.8	1.12	136.83	101.58	110.67	103.22	111.66	192.75	107.82	179.32
Euro – Pacific (1590)	140.99	+0.6	105.17	113.89	106.75	111.79	+0.7	2.45	140.20	104.09	113.39	105.76	111.04	174.18	116.03	165.31
North America (642)	144.80	+0.7	108.01	116.99	109.67	143.38	+0.7	3.40	143.72	106.70	116.26	108.44	142.32	148.43	119.26	135.34
Europe Ex. UK (644)	123.73	+0.3	92.29	99.97	93.71	94.78	+0.7	3.55	123.35	91.57	99.78	93.07	94.11	145.62	106.85	132.63
Pacific Ex. Japan (197)	125.96	−0.2	93.96	101.77	95.39	111.75	+0.0	5.69	126.18	93.67	102.07	95.19	111.78	146.72	111.40	132.33
World Ex. US (1778)	141.60	+0.5	105.63	114.40	107.23	112.54	+0.7	2.50	140.83	104.55	113.91	106.24	111.77	173.77	117.12	165.34
World Ex. UK (2008)	138.29	+0.7	103.16	111.72	104.73	121.74	+0.8	2.50	137.26	101.90	111.02	103.56	120.78	162.00	115.37	152.91
World Ex. So. Af. (2244)	141.49	+0.6	105.55	114.31	107.15	122.74	+0.7	2.80	140.61	104.39	113.73	106.08	121.88	161.84	116.04	152.95
World Ex. Japan (1851)	144.62	+0.4	107.88	116.84	109.53	128.33	+0.6	3.84	144.01	106.92	116.49	108.66	127.55	151.59	124.31	139.69
The World Index (2304)	141.81	+0.6	105.78	114.56	107.39	122.81	+0.7	2.81	140.93	104.63	113.98	106.32	121.94	162.05	118.33	153.49

Latest prices were unavailable for this edition.